

**DEPARTMENTS OF LABOR AND HEALTH, EDUCATION,
AND WELFARE APPROPRIATIONS FOR 1963**

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
EIGHTY-SEVENTH CONGRESS
SECOND SESSION

SUBCOMMITTEE ON DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND
WELFARE AND RELATED AGENCIES APPROPRIATIONS

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WINFIELD K. DENTON, Indiana

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ROBERT M. MOYER, *Staff Assistant to Subcommittee*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Part 1

(Exclusive of Public Health Service)

Printed for the use of the Committee on Appropriations



U. S. Congress, House Committee on Appropriations

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DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS FOR 1963

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

TUESDAY, JANUARY 30, 1962.

STATEMENT OF THE SECRETARY

WITNESSES

HON. ABRAHAM A. RIBICOFF, SECRETARY OF HEALTH, EDUCATION, AND WELFARE

WILBUR J. COHEN, ASSISTANT SECRETARY

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Mr. FOGARTY. The committee will come to order.

We have before us this morning our old friend and colleague, Mr. Ribicoff, the Secretary of Health, Education, and Welfare. Welcome back.

Secretary RIBICOFF. Thank you very much, Mr. Chairman.

Mr. FOGARTY. Mr. Secretary, do you have a statement for the committee?

Secretary RIBICOFF. I do. I have with me Assistant Secretary Cohen and the budget officer, Mr. Kelly. We will try to do the best we can to answer your questions.

Mr. Chairman and members of the committee, it is a pleasure to meet with you again to discuss the problems, the programs, the progress, and the plans of our Department. When I appeared last year this administration had just come into office. It has been a year of hard work and one filled with a whole host of problems, ranging from controversial legislative proposals to the day-to-day operating problems and growing pains which face us.

I have, in fact, come to refer to the Department as the "Department of Controversy" because so many of our programs and proposals give rise to a wide range of viewpoints with vocal spokesmen for each and to widespread interest and deeply held convictions among individuals throughout the Nation. This is as it should be, for the programs of this Department touch the lives of every man, woman, and child in our Nation. These programs significantly affect the Nation's progress as we seek the advancement of the excellence of our educational system and opportunities for youth, the improvement of the health of our people, the stimulation of rehabilitation, and preventive measures to alleviate poverty and economic dependence.

It has been in many respects a gratifying year. The executive branch, working in concert with the legislative branch, has expanded

and improved the national stimulation, leadership, research, and support activities dealing with the Federal role in health, education, and welfare. This progress has been possible through the increased appropriations you made available in 1962 and through the increased and improved authorities and responsibilities assigned to the Department in legislation enacted in the last session of the Congress.

During the past year I have worked with the programs of the Department and the men and women responsible for their administration. I have become increasingly impressed with the significance and effectiveness of these programs in serving the Nation's interest and in the competence and dedication of the people who carry them out.

At the completion of our first year in office, it is appropriate, I believe, to review with this committee the present status of our programs and our plans and proposals for the future.

LEGISLATIVE CHANGES IN 1962

A substantial contribution to our present programs and one which has important effects on our budget and program proposals for fiscal 1963 is the list of legislative measures which significantly improves our ability to serve the health, education, and welfare needs of the people of this country.

COMMUNITY HEALTH SERVICES AND FACILITIES ACT

This new legislation will aid communities to experiment with new and original solutions tailored to meet a comprehensive assessment of their particular health problems and needs. The act has the major objective of assisting to increase the availability, scope, and quality of community out-of-hospital health services and facilities which will assist in meeting the health needs of the chronically ill and the aged. To accomplish this, the act provides aid to States, communities, and nonprofit organizations for improving the quality of health services in nursing homes, for establishing or expanding visiting nursing programs, and for demonstrating other home care services for chronically ill or disabled persons.

Supplementing these program grants is a \$10 million increase in the authorization for annual grants for construction of public or nonprofit nursing homes. The act brings these community health services and facilities into clear national focus. It will serve not only to provide a broader range of community services to meet our growing health needs under existing arrangements, but will also lay the groundwork for the expansion of services required if a program of health insurance for the aged is enacted and is to be truly effective.

In addition, this act broadens the program of research and demonstrations in the building and operating of better health facilities, and increases the authorization for building health-research facilities.

PREVENTION AND CONTROL OF JUVENILE DELINQUENCY

This legislation authorizes a three-pronged attack on delinquency and youth offenses: First, by supporting demonstration projects; second, by stepping up the training of personnel; and third, by providing

communities technical assistance in designing antidelinquency programs.

WATER POLLUTION CONTROL

The authorization for grants for construction of waste treatment plants was increased from the former maximum of \$50 million to \$80 million in 1962, to \$90 million in 1963, and to \$100 million in subsequent years. Congress also broadened Federal authority for enforcement of pollution abatement measures. The new law recognizes that waste disposal and pollution control problems differ greatly from one part of the country to another and require different scientific and engineering approaches. It contemplates, therefore, a greatly expanded research program and authorizes the establishment of a series of regional laboratories in various parts of the country in which much of the analytical work and applied research will be conducted.

SOCIAL SECURITY ACT AMENDMENTS OF 1961

Amendments to the public assistance programs authorized three innovations which have materially strengthened our ability to help individuals in need. For the first time since the public assistance program was enacted a quarter of a century ago, the Federal Government can aid dependent children whose parents are the victims of unemployment.

Second, Federal financial assistance can now be granted to help meet foster care costs in those cases where dependent children must be removed from their homes because their parents cannot properly provide for their welfare. Third, the Federal Government has recognized that needy repatriated U.S. citizens are a matter for its concern and has authorized temporary assistance to these individuals until other provision can be made for their support.

Important improvements to the social insurance program were brought about by the 1961 amendments to the OASDI program. These amendments will provide new or increased benefits to over 4.7 million persons during the first 12 months. These results were brought about by provisions which lowered the optional retirement age for men from 65 to 62, increased the minimum insurance benefit for retired workers from \$33 to \$40 per month, revised the requirements for insurance eligibility, increased benefits to aged widows by 10 percent, and modified the retirement test.

TRAINING TEACHERS OF THE DEAF

For the first time, the Federal Government is authorized to provide financial assistance in training teachers of the deaf. Under this legislation, the Office of Education is authorized to pay \$1.5 million in both 1962 and 1963 to help educational institutions increase the supply of teachers of deaf children.

OTHER LEGISLATIVE CHANGES

Other important legislation affecting operations of this Department included extension for 2 years of the National Defense Education Act and authority for Federal aid to education in federally impacted areas; removal of the monetary limitation on Federal assist-

ance in supplying books and instructional materials to blind children in public schools through the American Printing House for the Blind; extension for 4 years of authority for Federal grants to States for the expansion of training of practical nurses; authorization for construction of a modern replacement for Freedmen's Hospital and for its transfer to Howard University to enhance the university's medical education and community services role; and enactment of permanent legislation authorizing visas to alien orphans adopted by American citizens.

With this new authority supplementing our already broad authorities and responsibilities, this Department is prepared to make a significant expansion in programs for improving the educational opportunities, for protecting and improving the health, and for maintaining income and preventing dependency—in short, for investing in a better program for the benefit of all our citizens.

THE 1963 BUDGET

The 1963 budget proposals reflect this increased authority and this determination. Total appropriations requested for 1963 under existing legislative authority are slightly over \$5.1 billion and exceed enacted and proposed 1962 appropriations by about \$337 million. Appropriations planned under legislation to be submitted to this session of the 87th Congress would add nearly \$1.2 billion. Thus, our total program for 1963 calls for increases over 1962 appropriations of about \$1.5 billion.

ECONOMIES IN FISCAL YEAR 1962

As this committee knows, not all of the funds made available by Congress in 1962 have been used to carry out our programs. In October of last year, after Congress had finished its action on the 1962 budget, President Kennedy pointed out that it had become necessary to review the budget and effect economies. The President, therefore, requested each department and agency to examine its programs, giving particular attention to expanding activities, with the objective of achieving the maximum possible economy within the appropriations provided. In response to this request and after a careful review of the Department's programs, I determined that approximately \$102 million of the funds available in 1962 should not be used.

BASIS FOR REDUCTIONS DURING 1962

Before proceeding to a discussion of the 1963 request, I would like to outline briefly the basis for the application of this reduction to the 1962 appropriations. There are three significant facts with respect to this action that should be noted:

(1) Due to changes in program circumstances and requirements, funds amounting to approximately one-third of the reduction would not be used irrespective of the need to effect economies;

(2) No reductions were applied to any program involving the direct care of hospital patients, to any program of formula grants to States or communities, or to programs pertaining to defense preparedness; and

(3) Reductions of \$66 million were applied only to those remaining activities for which the 1962 appropriations provided an expansion over the 1961 program level, and these reductions were made uniformly by applying the same percentage factor to every affected program.

In summary, what the \$102 million reduction means is that the Department's programs will not increase in 1962 to the full limit permitted by Congress. Nonetheless, they will increase to the extent of over half a billion dollars. Furthermore, every program for which the Congress provided funds for expansion was still allowed a substantial increase even after the reduction was applied. I feel, therefore, that my action reserving these funds was responsive to both the urgent need for economy wherever possible and to the interest of the Nation in the expansion of these vital health, education, and welfare programs.

BUDGET INCREASES FOR FISCAL YEAR 1963

Taking these 1962 reductions into account, the proposed budget for 1963, under existing legislative authority, would provide an increase of about \$438 million over the actual program levels to be achieved in 1962. This increase will provide important improvements and expansion in most of our major programs.

I would like to explain briefly the need for, and the effect of, the increases by significant program category. In summary, the 1963 increases listed roughly in the order they appear in the budget, are listed on the following table which, as you note, reflects a total increase of \$337 million over 1962 adjusted appropriations and \$438 million over the actual program level of 1962.

(The table is as follows:)

	1963 increases over 1962 adjusted ap- propriations	1963 increases over 1962 operating budget
1. Strengthening enforcement activities of the Food and Drug Administration.....	\$5,709,000	\$6,855,000
2. Improvement and expansion of programs of education.....	11,316,000	31,132,000
3. Strengthening vocational rehabilitation programs.....	12,929,000	14,021,000
4. Improved community health services.....	16,167,000	18,133,000
5. Expanded environmental health programs.....	9,684,000	11,822,000
6. Expansion of programs of the National Institutes of Health.....	43,341,000	103,741,000
7. Increased public assistance grants.....	147,100,000	147,100,000
8. Increase in Children's Bureau programs.....	7,835,000	7,946,000
9. Reimbursement for military service credits.....	78,600,000	78,600,000
10. Direct Federal construction and construction grants.....	-6,412,000	5,471,000
11. All other increases.....	10,800,000	13,282,000
Total increases.....	337,069,000	438,103,000

EXPLANATION OF INCREASES

Secretary RIBICOFF. 1. Strengthening enforcement activities of the Food and Drug Administration, \$6,855,000: As you know, this Administration has a special concern for the protection of the health and pocketbooks of consumers. Consequently, we are proposing a substantial increase in the resources for the Food and Drug Administration, in fact the largest increase ever proposed for that agency.

Looking ahead, we have appointed a group of distinguished citizens, as suggested by this committee, to review the scope and adequacy of present programs and to make recommendations to assist us in our long-range planning for further improvement of consumer protection activities.

Funds are requested in the 1963 budget for another study which we expect will also assist us in our long-range planning efforts; this is the proposed survey of the adequacy of State and local food and drug programs for which the budget requests \$300,000.

2. Improvement and expansion of the programs of education, \$31,132,000: The budget proposed for the Office of Education builds constructively upon present levels of activity under existing legislative authority. Together with the legislative proposals of this administration in the field of education, these requests constitute a rounded program designed to carry out the important responsibilities of the Federal Government to insure that each person has the maximum education from which he can benefit and that our Nation will continue to have available the expanding pool of skilled manpower needed to maintain a dynamic society.

The budgetary proposals will primarily provide for: (1) an increase in the grants for land-grant colleges and for practical nurse vocational training to the maximum authorization; (2) an increase in cooperative research funds, particularly to initiate a new curriculum study in the field of social studies; (3) under the National Defense Education Act, increased State usage of grant funds for science, mathematics, and foreign language equipment as well as an increase to the maximum authorization of grants to stimulate the training of highly skilled technicians; and (4) an increase to strengthen the consultative, advisory, and research services of the Office of Education.

3. Strengthening vocational rehabilitation programs, \$14,021,000: This budget plan will provide for significant progress in the rehabilitation and restoration of disabled persons to self-support and independent status. We will be able to make another significant step toward our objective of providing rehabilitation service to all who need and can profit from these services and who wish to avail themselves of this opportunity. The estimate provides for an increase in the allotment base for matching support grants to States from \$90 million to \$110 million. The requested appropriation for matching State funds is designed to fully match all of the State funds estimated to be available. The 1963 proposal will provide for an estimated 110,400 rehabilitations as compared to 100,000 in 1962.

Fundamental to the continued and effective growth of the Federal-State program of rehabilitation services is successful expansion of our knowledge on how to rehabilitate and the development of competent manpower. These companion programs of research and training are budgeted at increased levels in order to provide research and demonstrations in the areas of severe disabilities and to expand our training efforts in those fields in which personnel shortages are most critical.

4. Improved community health services, \$18,133,000: The community health programs are intended to encourage the prompt nationwide use of the increased knowledge gained from medical research.

Slightly over \$11 million of the increase will be devoted to programs to improve the health of the aged and of others afflicted with chronic

disease. Emphasis will be placed on assisting the State and local organizations to establish and maintain community services outside the hospital for chronically ill and aged persons. Significant increases are proposed in community health practices, in stimulation and strengthening of State and local public health services training, in communicable disease activities, and in the program for control of venereal disease.

5. Expanded environmental health programs, \$11,822,000: The enactment of the Water Pollution Control Amendments of 1961 significantly improves our ability to take effective action against the increasing problems of pollution of our Nation's water supply. Provision is made for \$90 million in grants for construction of waste treatment facilities and \$4 million for construction of water pollution control laboratories. In addition, the estimate provides an increase of \$4.7 million to a total of \$23,607,000 for control grants to States, research, demonstrations, training, enforcement, technical assistance, and comprehensive river basin studies. About \$1.6 million of the increase will be used to continue and expand the program for improving and preserving water quality in the Great Lakes-Illinois River Basin.

The air pollution control program needs to be increased by approximately \$1.9 million to step up our attack on the mounting problems brought about by continued growth in urbanization, population, industrialization, and transportation.

An increase of over \$5 million is requested for the radiological health program because of the growing importance of radiation as a health hazard. Emphasis will be on expansion of technical assistance to the States through assignment of personnel, acceleration of training programs, and development of comprehensive State programs.

6. Expansion of programs of the National Institutes of Health, \$103,741,000: The estimate for research, training, and other activities of the National Institutes of Health provides an increase of \$42 million over the 1962 appropriation level and more than \$100 million over the 1962 operating budget. The items of major significance are:

(a) The amount included for the regular research grants program is increased by \$63.4 million. This will provide for the same level of new grants as in 1962 with increased financial support for continuing research projects including supplemental requirements. An increase of \$5.4 million is provided to raise the support of indirect research costs to 20 percent of direct costs on all new and continuation projects approved after January 1, 1963.

(b) General research support (institutional) grants will be increased from \$20 million in 1962 to \$30 million in 1963 to permit extension of the program to schools of nursing, pharmacy, veterinary medicine, hospitals, and other nonprofit research organizations engaged in medical research.

(c) An increase is provided to expand the program of clinical research centers to further the effort to provide organized coordinated, basic, and central services designed to facilitate the conduct of research.

(d) An increase of \$10 million is also provided for training grants and will be directed primarily to the field of mental health.

(e) A total increase of \$10 million is provided for direct operations with the principal increases being \$3.1 million for direct research, \$1.4

million for professional and technical assistance, \$0.9 million for biologics standards, and \$3.7 million for collaborative studies.

7. Increased public assistance grants, \$147,100,000: In the field of public assistance, this administration has, as you know, undertaken the most extensive reexamination of these programs since their initial enactment in 1935. This reexamination was a part of my original plans when I entered office, and it was repeatedly recommended to me by many people who have had long experience in dealing with these programs at the Federal level, including the chairman of this subcommittee. The chief result of this study has been to demonstrate the need to reorient the public assistance and other welfare programs to provide constructive solutions to the problems of needy persons through various types of rehabilitation and to prevent and reduce dependency.

Within existing authority, I have already asked the Commissioner of Social Security to institute a number of administrative measures designed to assist in meeting this goal. In addition, the administration is proposing a comprehensive series of legislative proposals which are framed specifically with the new orientation in mind.

The budget requests to which I here direct my attention also reflect in part this "new look" in the welfare programs. The estimates assume the extension of the temporary legislation enacted by the last session of Congress authorizing aid to dependent children with unemployed parents and Federal participation in foster care costs where dependent children are determined to have unsuitable homes. These provisions have justified themselves as essential and permanent parts of the overall welfare programs and we are recommending their extension.

The appropriation increase requested for 1963 is based on anticipated increases in numbers of recipients and in average assistance payments and will provide the Federal funds required to match projected State funds available to meet these higher needs.

8. Increase in Children's Bureau programs, \$7,946,000: The increases requested for the Children's Bureau complement and support in large measure our efforts to provide a broader range of constructive welfare services for children. Improvements in child welfare programs will result from (a) an increase of child welfare grants to the level of the maximum authorization, and (b) the addition of foster care consultants in several regional offices who will work closely with the States in developing and improving foster care programs.

Additional knowledge and demonstration of good child welfare practices will also be made possible through the increases requested for the child welfare research program.

9. Reimbursement for military service credits, \$78,600,000: This is a new item in the 1963 budget and will serve to help keep the OASDI trust funds on an actuarially sound basis. This appropriation will reimburse these trust funds for the cost of benefit payments paid as a result of military service credits granted for OASDI purposes prior to the period when contributions related to service credits began to be made in 1957. The estimate represents the first of seven annual installments to cover interest, benefit payments, and administrative costs related to these service credits.

10. Direct Federal construction and construction grants, \$5,471,000: The net increase in this category is the result of several significant in-

creases and decreases. The construction program for 1963 provides \$27 million in direct construction activities of the Public Health Service, including \$4 million for two water pollution control laboratories, \$10.3 million for construction of a cancer research facility at Bethesda, \$3.2 million for equipping the extension of the Communicable Disease Center in Atlanta, \$2.1 million for construction at the NIH animal farm and laboratory, and \$4.9 million for master utilities extension at NIH.

Other direct construction includes \$5.5 million for construction at Howard University, and \$8.1 million for repairs and improvements and construction of a new patient treatment facility at St. Elizabeths Hospital.

An increase of \$10 million is provided for grants for construction of waste treatment facilities and a further increase of \$20 million is made in the program of grants for construction of research facilities.

The increases are offset to a large extent by a reduction of \$43.4 million in the program of grants for construction of hospitals and a reduction of \$5 million due to not requesting continuation in 1963 of the special authorization in 1962 for grants for construction of cancer research facilities.

11. All other increases, \$13,282,000: A significant item included in this total is an increase of \$6,012,000 for civil defense activities to increase the stockpile of emergency medical supplies; to provide for replacement of overage or outdated supplies in the existing stockpile; and to administer a program to provide, to the greatest extent possible, adequate health services to the civilian population in the event of a national emergency.

An increase of \$3.5 million is provided for the Social Security Administration to initiate a program of grants to stimulate the training of public welfare personnel.

An increase of \$2,054,000 is requested to strengthen the program for prevention of juvenile delinquency and youth crime under the new legislative authority provided by the last session of Congress.

An increase of \$1,064,000 is proposed to strengthen the direction and coordination of the rapidly expanding programs of the Department. These funds will be used to increase the staff in the Office of the Secretary, Office of the Social Security Commissioner, and Office of the Surgeon General. The executive and management staff in these offices has not been increased at a rate adequate to keep pace with rapid growth in size, complexity, and scope of the programs for which they are responsible.

The remainder of the increase in this category is made up of a variety of relatively small individual amounts designed to improve and strengthen the ongoing programs of the department.

NEW LEGISLATIVE PROPOSALS

ASSISTANCE TO PUBLIC AND ELEMENTARY AND SECONDARY SCHOOLS

1. Assistance to public elementary and secondary schools: This legislation would authorize \$600 million, \$700 million, and \$800 million, respectively, for 3 years in grants to States (to be allotted on a public school attendance basis) to assist them in paying more adequate teachers' salaries and in hiring needed additional teachers in

public elementary and secondary schools, and to assist them in constructing urgently needed public school facilities.

While States could use their allotments for teachers' salaries and school construction in any proportion, each State would have to submit and have approved a State application which sets forth criteria and procedures for intrastate distribution and use of Federal funds, which assures that priority (in the case of school construction funds) and preference (in the case of teacher salary funds) would be given to school districts which have the greatest need for increases in teachers' salaries, additional teachers, or additional school facilities, as the case may be, and which are least able financially to provide them without assistance.

The proposal would also amend Public Law 815 and Public Law 874, 81st Congress, in order to reduce Federal payments, particularly those related to children whose parents work, but do not live, on Federal property. The object of these reductions would be to reflect more accurately the degree of Federal impact on the affected communities.

AID TO HIGHER EDUCATION

2. Higher education construction and scholarships: This would authorize \$300 million annually for 5 years in direct loans for construction of academic facilities. It also amends the National Defense Education Act to provide for 4-year scholarships to undergraduate students selected on the basis of need and ability by State scholarship commissions, together with cost allowances to institutions.

EDUCATIONAL QUALITY IMPROVEMENT ACT

3. Educational Quality Improvement Act: This proposed legislation would include authorization for: (a) establishment of advanced study institutes at existing colleges and universities for elementary and secondary school teachers in subject-matter areas for which there is widespread need for improved quality of instruction; (b) scholarship grants for elementary and secondary school teachers for 1 year of graduate study; (c) grants to colleges and universities to strengthen teacher education programs; and (d) grants to States to improve the quality of instruction.

REDUCTION IN ADULT ILLITERACY

4. Reduction in adult illiteracy: This proposal is designed to rectify a serious deficiency in the educational achievement of the 8 million adult Americans, who are classified as functional illiterates, with a view to making them less likely to become dependent and better able to meet their adult responsibilities. It would authorize grants to public or nonprofit institutions of higher learning to assist in the development of methods and materials for instruction in this area, and to assist in providing specialized training for teachers of adults with low educational attainment.

HEALTH PROFESSIONS EDUCATION ASSISTANCE ACT

5. Health Professions Education Assistance Act: This act would authorize a 10-year program of: (a) grants for construction of medical, dental, osteopathic, and public health teaching facilities; (b) project grants to plan for needed facilities and improved education programs; and (c) scholarship aid to students in such schools, with cost-of-education allowances to the schools. Also, the health research facility construction program, which was extended for 1 year last year, would be continued for 3 additional years at the new \$50 million a year authorization level.

HEALTH INSURANCE FOR THE AGED

6. Health insurance for the aged: This is a renewal of our proposal of last year to provide, through the social security system, a program of insurance against the often catastrophic expenses of extended illness or hospitalization for individuals aged 65 and over. Under this program, persons would be able to accumulate insurance credit during their working years toward the time of retirement when incomes will decline and medical expenses are likely to rise. The program would be financed by an increase in social security contributions of employees and employers and would provide for hospitalization, nursing home care, outpatient diagnostic services, and visits for home health services. It would be the greatest boon to our senior citizens since the enactment of the Social Security Act in 1935.

EXPANDED PUBLIC WELFARE SERVICES

7. Public welfare services, rehabilitation, training, and prevention of dependency: I have frequently expressed my conviction that our welfare programs need to be modernized and reoriented to emphasize the elimination of some of the important causes of dependency. New or expanded legislative authority is required to accomplish some of the changes that appear necessary. I have found, however, that much could be done under existing authority, and I have already initiated administrative action to improve the management of those programs.

These changes were designed to accomplish two major objectives: To eliminate whatever abuses have crept into the programs, and to develop more constructive approaches to get people off assistance and back into self-sustaining roles.

We are requiring each State to strengthen its public welfare organization in order that it may effectively move to detect and report cases of fraud, to locate deserting parents, and to provide more emphasis on services with particular attention to the family as a unit. At the same time we are taking steps to safeguard the dependent children of deserting parents, of unmarried parents, and those who are in unsuitable homes.

We are also encouraging the States to develop programs for training adequate staff to combat the alarming shortage of properly trained professional and technical social welfare personnel. In our own organization we have demonstrated our emphasis on preserving the family by changing the name of the former Bureau of Public Assistance to the Bureau of Family Services and have established a new

position of Assistant Commissioner who will give full time to coordinating the programs of the Bureau of Family Services and the Children's Bureau and to stimulating public and private welfare organizations to emphasize strengthening family life.

To make possible further improvements in the administration of the public assistance programs, new legislation is being proposed. These proposals are designed to move us further along the road toward our long-range goal of reducing the number of public welfare recipients by emphasizing several constructive means of reducing or preventing dependency. This is a job which cannot be accomplished by the Federal Government alone; States, communities, and voluntary organizations must all play a part.

The Federal Government can assist in this process, however. Our proposals would permit, for example, (a) more liberal matching of State expenditures for constructive services to recipients designed to reduce dependency; (b) provision of incentives to welfare recipients to help themselves by authorizing Federal participation in community work-training programs and allowing recipients to build up financial reserves against future needs; (c) aiding to keep families together and improve family conditions by allowing payments to two adults caring for children under the ADC program and by increasing the maximum authorization for child welfare services.

RESEARCH GRANTS FOR MATERNAL AND CHILD HEALTH, AND CRIPPLED CHILDREN SERVICES

8. Grants and contracts for research relating to maternal and child health and crippled children services: This proposal would authorize making grants, contracts, or jointly financed cooperative arrangements for research which show promise of substantial contribution to the advancement of maternal and child health services or crippled children's services. Funds would be made available to institutions of higher learning and to public or nonprofit organizations engaged in research or in maternal, child health, or crippled children's programs.

AID TO CUBAN REFUGEES

9. Funds for assistance and resettlement of Cuban refugees: This proposal authorizes the Department of Health, Education, and Welfare to aid destitute Cuban refugees and is similar to the program now being carried out under the President's emergency powers. Funds would be available for resettlement, financial assistance, surplus food, medical services, and the foster care of unaccompanied Cuban children entering the United States. In addition, funds would be provided to the public schools of Dade County, Fla., whose facilities have been overtaxed by the addition of approximately 11,000 Cuban refugee children.

VOCATIONAL REHABILITATION FOR PEACETIME EX-SERVICEMEN

10. Vocational rehabilitation for peacetime ex-servicemen: This legislation would provide rehabilitation services for peacetime ex-servicemen as a Federal responsibility through use of the Federal-State vocational rehabilitation program.

RESEARCH IN CHILD HEALTH AND HUMAN DEVELOPMENT

11. National institute of child health and human development: This legislation would provide greater research focus in the area of intellectual and physical development of children. It would also bear on problems of the elderly and on the process of maturation generally. It would convert the Division of General Medical Sciences to a new national institute.

PROMOTION OF IMMUNIZATION

12. Polio and other vaccination assistance: This proposal provides for a 3-year authorization of grants to States for purchase of vaccines—Sabin or Salk vaccines or multiple vaccines against polio and other diseases—and for administration, promotion, surveillance, and laboratory services, directed toward the successful vaccination of all children of preschool age. It would also authorize Federal promotion and technical assistance activities to stimulate immunization of all age groups.

AIR POLLUTION CONTROL

13. Air pollution control: The proposed legislation would extend and strengthen the Air Pollution Control Act. It would authorize federally initiated studies of community air pollution problems of more than local significance, authorize project grants for air pollution control programs, provide for regional research centers and make provision for public conferences on special community or interstate air pollution problems. It would also remove the present limitations on appropriations and make these authorities permanent.

FOOD, DRUG, AND COSMETIC ACT AMENDMENTS

14. Food, Drug, and Cosmetic Act amendments: This proposal includes amendments to the Food, Drug, and Cosmetic Act to improve its effectiveness in protecting the public against unsafe and worthless products and misleading labeling, and thus assist in our efforts to strengthen consumer protection programs. The more important provisions would include strengthening the factory inspection authority of the Food and Drug Administration, requiring that new drugs and therapeutic devices be proved effective as well as safe, requiring that cosmetics be proved safe before marketing, strengthening the Government's ability to combat the illicit sale of barbiturates and habit-forming stimulant drugs, and strengthening the regulation of drug manufacturing processes.

CONCLUSION

We have prepared a more detailed highlight statement of the budget estimates by operating agency which I am also submitting for the information of the committee.

In closing, may I state that the budgetary requests and legislative proposals represent, I believe, a responsible program for the investment of Federal resources in our most priceless national asset—human resources. This program looks not only to present requirements but

also to the need to build today for our Nation's future. It is a responsible program because it reflects the fact that not all our aspirations can be financed at any one time and, consequently, it reflects our best judgment of priority needs. All in all, it represents a program which I can recommend to the serious consideration of this committee.

I wish to thank you for the opportunity you have provided me to make this statement, and I—or Mr. Cohen or Mr. Kelly—shall be pleased to answer any questions you may have.

ADEQUACY OF THE 1963 BUDGET

Mr. FOGARTY. Mr. Secretary, you have given us a very informative statement.

You have presented a 1963 budget to us. How firm do you think this budget is?

Secretary RIBICOFF. I would say, Mr. Chairman, that this budget is firm. I would hope that the budget would be able to stay as it is. It seems to me, in an orderly progression of human resources, it is a budget that should not be cut, and I hope it isn't cut, by Congress.

Mr. FOGARTY. Do you think we can cut anywhere at all?

Secretary RIBICOFF. I don't see where you could make cuts in this budget. I would, however, anticipate that certain parts of the legislative program may not get through Congress. In this respect, the total budget would not be as large as recommended. Much of it is as you know controversial.

In looking at the political realities, I would say that we might have some difficulties in certain phases of it.

Mr. FOGARTY. Of this budget?

Secretary RIBICOFF. Not the budget, but the new proposed legislation. I am talking about the new legislation, the effect on the budget of the 14 points of the new proposals but not the 1962 figures for the existing programs under existing authorizations. I would say that certainly should not be cut.

LEGISLATION GRANTING AID TO HIGHER EDUCATION

Mr. FOGARTY. Tell us about this bill which we have on the floor today.

Secretary RIBICOFF. That is a higher education bill. The House legislation is a little different, Mr. Chairman, from the administration's proposal. The legislation we propose requires \$300 million in loans. The House legislation has \$180 million in grants and \$120 million in loans.

I have indicated before that I like the House provision. However, I am disappointed that the House bill does not have provision for scholarships. I think this is one of the key factors in the whole educational process.

When you realize how important education is, and when you realize how many young people do not get to college because they do not have the means, it would be my hope that Congress would, as soon as possible, put in a scholarship provision in the college facilities bill.

Mr. FOGARTY. But when the National Defense Education Act passed the Congress a few years ago, scholarships were stricken out in an amendment on the floor.

Mr. COHEN. That is correct.

Mr. FOGARTY. It carried by a real large margin. I forget what the vote was, but it wasn't close.

Secretary RIBICOFF. Eventually I think this country will get around to the scholarship provision, Mr. Chairman. I think it is one of the big problems facing us in this country. In my opinion education is power. I think in this respect the Soviet Union has recognized this a lot better than we have.

The latest DeWitt report is fascinating reading, and I think it ought to be in the committee files if it isn't. It shows figures that should cause us deep concern. It shows us that the Soviet Union is advancing much faster than we are in all the sciences and in the fields of medicine and in the training of personnel.

They make sure that every bright, able young boy and girl gets all the education he or she can benefit from. We have a different system, and I would never advocate anything else. We don't tell people where they should live, where they can go, or what kind of professions they should enter. But I do think we should provide the educational opportunities to make sure that every able young man and woman can develop for himself and for his Nation the talents that he has.

I am sure that it won't be too long before the Congress realizes the necessity of a program such as this, Mr. Chairman.

PAST CRITICISM OF THE OFFICE OF EDUCATION

Mr. FOGARTY. Two or three years ago the full committee held a hearing with Admiral Rickover. It was a full committee hearing. He sort of blasted the Office of Education. He had just come back from Russia. He had made a trip there with the Vice President—at that time, Mr. Nixon.

When I heard about the meeting, I thought we were going to listen to what was going on in the field of atomic energy—the atomic submarine and all that. But all Admiral Rickover talked about was how Russia was gaining in the field of education. He thought that the Office of Education was outmoded. I think he referred to some of the people down there as a bunch of characters or something like that.

The record was printed, anyway, and everyone who was interested has seen it. Then when Dr. Derthick came before us 2 or 3 years ago, he referred to that report. So our committee gave Dr. Derthick the time to give his views on where we stand in education in the world; and he did.

I thought he did a very good job. I think Dr. Derthick was a good Commissioner of Education. Then when Commissioner McMurrin was before the committee last year he referred to both reports, and we gave him the same opportunity we gave Dr. Derthick—to file his views. He did, and we included them in our hearings last year.

How do we stand now? Are we making any headway? Do you think the Rickover report is right, that our Office of Education is getting old in their ideas?

Secretary RIBICOFF. We have a very restricted Office of Education. It doesn't have too much authority. Don't forget, we don't establish a national policy. National education policies are established in the local communities in the States. I am for that. In the Soviet Union, the national education policy is established by the central government.

I have a great deal of respect for Admiral Rickover; I think there are certain things I disagree with him on, but I think what he has been writing and talking about are most provocative and deserve careful consideration of our people.

I have felt—if I may speak very frankly to this committee—that there should be eventually a reorganization of the Department of Health, Education, and Welfare. We have educational programs scattered throughout this entire Department. Every department of this Government has a piece of education—every type of agency.

There is expended close to \$3 billion, isn't there?

Mr. KELLY. If the legislative program were enacted, it would be well over \$3 billion.

PROPOSAL FOR CONSOLIDATING FEDERAL EDUCATION ACTIVITIES

Secretary RIBICOFF. Since education is so important, I think that there should be pulled together all educational activities of this Government under a Secretary of Education, Science, and Technology. I think this country is getting to that.

I have often thought—this is something that has been on my mind—if I should ever leave this Department, or even if I don't, once I have the time I would like to pull this together and make a recommendation to this end, because this has been on my mind, Mr. Chairman, and it is important.

There is much that is wrong with education in this country. I think where Admiral Rickover goes wrong is his emphasis entirely on just what is considered intellectual elite. I go along with Rickover on that, that we have to make sure that all the great brains of this country are developed.

However, I think Rickover is a little impatient with the elements of our society that don't have this intellectual capacity. My philosophy goes beyond Rickover. While I want to do what Rickover wants to do with the intellectual elite, philosophically I think in a democracy we have an obligation to develop the capacity of each individual to the upper limits of what God has given him.

That is why I am just as much interested in doing whatever I can for the mentally retarded child, for the blind, and for the person who can use his hands and can't use his brains. I think we have to realize that education has many phases. I am for the development of all phases of education.

But I agree with Rickover that we have to have a stronger, stricter program; we have to concentrate on more time spent in school; I think we have to try to telescope the years we spend; I think we have to be a lot more serious. We have to make sure in this country that we don't lose a bright young man or woman.

I know how Rickover picks his Polaris submarine commanders. When I was Governor I got to know many of the Polaris submarine commanders down at the New London base. Frankly, in all my life I have never found a more intelligent, a better rated group of men than go out and captain these atomic submarines. These men are the cream of our society. They are all handpicked.

I can well imagine that a man like Admiral Rickover is very impatient with second-raters. I think it is a great loss, I think we are making a great mistake, in not having scholarships for the qualified able young men of this country who otherwise would not get an education. We cannot afford to do this.

One of the big problems we have here, Mr. Chairman, is this. We have to look at education not only for the United States, because the United States is doing pretty good; but there has been a great decline in the Ph. D's in higher education in the other Western countries, are The Soviet Union, taking together the Iron Curtain countries, are far outstripping us—when I say us, I mean the West—because there is a decline in France; there is a decline in England, there is a decline in many of the European countries. We are doing a lot better.

But when you take the total population of both sides of the Iron Curtain and you see the advance that they are making in education. The great emphasis behind the Iron Curtain is on education, because they feel that if you are not going to have a war, the one way that you will get power and strength is by educating people for leadership and advances in the sciences and technology.

NEED FOR MORE AND BETTER TEACHERS

That is why, to me, one of the key parts of education is trained men. We have the same thing, Mr. Chairman, in the bill about which I testified before the Interstate and Foreign Commerce Committee—the health bill, medical, dental, and osteopathic school facilities and again scholarships.

I sensed in the committee, while there was sympathy for the facilities—just like there is on the college facilities bill—a reluctance to go along with the scholarship provisions for the doctors and dentists.

I consider this unfortunate, because to me, of the two elements, the most important in education in America is the teacher. Without the teacher you have nothing. Everything should be done to train more and more teachers.

The education bill I have talked to you about has been the result of my experience during the last year in this job. We must do everything we can. After all what makes an education? An education is made up of a dedicated people, an inspiring teacher and a willing and able pupil. It is not the bricks with which you build; it is not the fancy building; it is not the lighting fixtures or the chairs. It is the teacher. This is what we must emphasize.

NEED TO PROVIDE ASSISTANCE FOR BRILLIANT CHILDREN

Secondly, we must make sure that we do not lose bright young men. We can use this space flyer, Gary Monteto, as an example. He was a young boy who went to school 2,500 miles east of Moscow. His teachers, in what was equivalent to our high school, saw a bright young

boy. They shipped him off under a full scholarship to Moscow, where he chose to be a space technologist.

Everybody who has studied education in the Soviet Union tells me that every teacher is a scout for the bright child. No matter where he is found in the Soviet Union, once a teacher discovers a bright boy or girl, that boy or girl is taken and brought into the higher institutions of education to make sure he isn't lost.

What happens here? We take this philosophy. Next door to us is Johnny Jones. Johnny is a bright boy. We say, "Don't worry about Johnny; he will get along." Maybe Johnny gets along and maybe Johnny doesn't get along. Maybe Johnny falls by the wayside. Maybe his parents don't care about education. Maybe he wants to play. Maybe he is indifferent about education.

So, instead of a bright young boy having his capacities developed, we end up sometimes with a child who either falls into trouble or takes a job much beneath his capacity.

We know this; at a minimum, some 60,000 young boys or girls in the upper third of their high school graduating class don't get to college because they don't have the money. We also know that another 60,000 drop out every year—boys and girls with good grades—from college because they don't have the money to continue in education. So there is a loss of 120,000 youngsters a year.

Mr. Chairman, I don't think we can afford it. I am grateful. I don't criticize Rickover. Men like Conant, men like Rickover, men like John Gardner—I am all for them acting as a burr under the saddle of education. I am not satisfied that we are doing the best job we can in this country.

I know you have got a problem and let's say you have to defend it. I think we have excellent education in this country. I think there are many excellent educational opportunities; but I for one think we can do a better job.

Mr. FOGARTY. I don't think any of us are criticizing Rickover, Derthick, or McMurrin. We listened to the three and gave all three a chance to comment.

Secretary RIBICOFF. We will try to get you a copy this afternoon or tomorrow to bring over to you, if the committee staff doesn't have one, of the DeWitt report that was published. It is a very thick, a very fascinating report on education in the Soviet Union.

CORRELATION BETWEEN EDUCATION AND EMPLOYMENT

Mr. FOGARTY. One thing that has always interested me is that statistics show that those with only a grammar school education make up the highest percentage of the unemployed in this country. It is getting more so as we go along. You have to have at least a high school education or it is almost impossible to find a decent job now.

Secretary RIBICOFF. You are absolutely correct, Mr. Chairman. This is one of the great problems. A dropout child doesn't have a chance. In this country today there are about 10,800,000 youngsters between the 9th and 12th grades. Two and a half million of those will never graduate from high school. So they end up on the streets. They can't get a job. There isn't a prayer of a chance for the common laborer. The common laborer is the first one fired and the last hired, and more and more this is becoming a great problem.

That is why I have been very anxious to do all we can in vocational education. I am not just interested in college education; I am deeply interested in vocational education. We have a group now working to upgrade the whole concept of vocational education in this country.

I would hope that next year there would be submitted to this committee a very substantial program for the entire change of emphasis and direction in the field of vocational education, Mr. Chairman.

DISPLACEMENT OF COMMON LABORERS BY AUTOMATION

Mr. FOGARTY. Automation is gradually eliminating the so-called common laborer.

Secretary RIBICOFF. That's right. There is no place for them.

Mr. FOGARTY. You have to be a technician even to run the machinery. One machine will sometimes eliminate 40 or 50 or 100 so-called common laborers. This is going to snowball and go on and on and on. We are not going to level off or stop. Automation is going to continue, and I think everybody agrees it is here to stay, and they are for it.

Secretary RIBICOFF. Mr. Chairman, I think you put your finger on one of the greatest problems that is going to plague us as a people: How do you absorb into the economy the people displaced by automation?

Our economy keeps on being prosperous: our productivity goes up; and yet we have a very large number of people still unemployed. This is a very grave problem, Mr. Chairman.

Mr. FOGARTY. Getting back to the budget, I have a list of questions that I want to ask. I asked the same thing of Mr. Goldberg when he was here last week. I made the statement to him, that his budget for 1962 didn't turn out to be very firm, and I will make the same statement to you.

ESTABLISHMENT OF RESERVES FOR SAVINGS

Your budget for 1962 didn't turn out to be very firm because at about the same time the President was signing the bill—he signed the bill on the 22d of September—there were already negotiations going on to put in reserve a portion of the appropriations. There are many instances of cuts below what you had justified as minimum needs just a few weeks earlier.

Tell us what reserves you have established and how they will affect your programs.

Secretary RIBICOFF. There were so many items, Mr. Chairman, I can't do this from memory. I will leave them with you to put in the record. To effect an overall reduction in available appropriations of \$102 million—

Mr. FOGARTY. There are several pages, aren't there?

Secretary RIBICOFF. There are many.

Mr. FOGARTY. I know about what they are. I have read the justifications. So why don't you put those in the record and tell us generally how these reserves will affect the programs.

(The information referred to follows:)

Appropriations and reserves, fiscal year 1962

	1962 appropriation	Formal reserves			Administrative reserves	Total reserves
		For savings	For obligation in subsequent years	For other contingencies		
Food and Drug Administration:						
Salaries and expenses.....	\$23,000,000	\$633,000			\$513,000	\$1,146,000
Certification, inspection, and other services (indefinite).....	(1,882,000)		(\$1,016,622)		(92,000)	(1,108,622)
Pharmacology-animal laboratory building.....	1,750,000			\$1,730,000		1,730,000
Total, Food and Drug Administration.....	24,750,000	633,000	(1,016,622)	1,730,000	513,000	2,876,000
Office of Education:						
Promotion and further development of vocational education.....	33,672,000					
Further endowment of colleges of agriculture and the mechanic arts.....	8,194,000					
Land-grant college aid, Hawaii.....	3,775,000					
Grants for library services.....	7,500,000					
Payments to school districts.....	231,293,000					
Assistance for school construction.....	54,850,000					
Defense educational activities.....	211,627,000	15,843,000	18,870,000	37,520,000		72,233,000
Expansion of teaching in education of the mentally retarded.....	1,000,000					
Training teachers of the deaf.....	1,500,000				337,000	337,000
Salaries and expenses.....	11,669,000				123,000	123,000
Cooperative research.....	5,000,000				352,000	352,000
Total, Office of Education.....	570,080,000	15,843,000	18,870,000	37,520,000	812,000	73,045,000
Office of Vocational Rehabilitation:						
Grants to States.....	64,450,000					
Research and training.....	20,250,000					
Research and training (special foreign currency program).....	1,372,000				1,052,000	1,052,000
Salaries and expenses.....	2,325,000				40,000	40,000
Total, Office of Vocational Rehabilitation.....	88,397,000				1,092,000	1,092,000
Public Health Service:						
Buildings and facilities.....	18,230,000					
Accident prevention.....	8,618,000			17,705,858	156,000	17,705,858
Chronic diseases and health of the aged.....	10,958,000				1,193,000	1,193,000
Communicable disease activities.....	10,000,000				233,000	233,000
Community health practice and research.....	24,336,000				202,000	202,000
Control of tuberculosis.....	6,493,000					
Control of venereal disease.....	2,000,000					
Dental services and resources.....	2,504,000				100,000	100,000
Nursing services and resources.....	7,675,000				82,000	82,000

Appropriations and reserves, fiscal year 1962—Continued

	1962 appropriation	Formal reserves			Administrative reserves	Total reserves
		For savings	For obligation in subsequent years	For other contingencies		
Social Security Administration—Continued						
Salaries and expenses, Children's Bureau.....	\$2,668,000				\$36,000	\$36,000
Grants to States for maternal and child welfare.....	69,100,000				75,000	75,000
Cooperative research in social security.....	700,000				75,000	75,000
Research and training (special foreign currency program).....	1,607,000					
Salaries and expenses, Office of Commissioner.....	590,000				34,000	34,000
Transfer from OASI trust fund.....	(322,000)					
Total, Social Security Administration.....	2,480,071,000	(\$1,400,000)	(\$4,067,831)		316,000	316,000
Special institutions:						
American Printing House for the Blind.....	670,000					
Prednuten's Hospital.....	3,736,000			\$3,000		3,000
Gallaudet College:						
Salaries and expenses.....	1,256,000					
Construction.....	601,000			336,500		336,500
Total, Gallaudet College.....	1,857,000			336,500		336,500
Howard University:						
Salaries and expenses.....	7,007,000					
Plans and specifications.....	461,000					
Construction of buildings.....	4,447,000		71,538	39,000		110,538
Construction of auditorium-fine arts building (liquidation of contract authority).....	95,000		368,608			368,608
Total, Howard University.....	12,010,000		440,206	39,000		479,206
Total, special institutions.....	18,273,000		440,206	378,500		818,706
Office of the Secretary:						
Office of the Secretary.....	2,527,000				69,000	69,000
Transfer from OASI trust fund.....	3,265,000				47,000	47,000
Office of Field Administration.....	(1,465,000)					
Transfers.....	862,000				11,000	11,000
Surplus property utilization.....	713,000				11,000	11,000
Office of the General Counsel.....	(696,000)					
Transfers.....						

Juvenile delinquency and youth offenses.....	8,200,000				1,754,000	1,754,000
Total, Office of the Secretary.....	15,567,000				1,892,000	1,892,000
Total, direct appropriations, DHEW.....	4,569,940,000	16,476,000	19,310,206	89,538,333	55,398,000	180,722,539

NOTE.—Included in the amounts listed above are the following items which were taken into account when applying the economy reductions:

Administrative reserves.....	\$55,398,000
From formal reserves:	
Food and Drug Administration.....	633,000
Office of Education (National Defense Education Act).....	19,802,000
Public Health Service.....	10,000,000
Buildings and facilities.....	17,000
Foreign quarantine activities.....	15,823,000
National Institutes of Health.....	15,159,000
National Library of Medicine and other.....	
Total.....	101,832,000

HISTORY OF RESERVES

Mr. FOGARTY. Who suggested these reserves in the first place?

Secretary RIBICOFF. First, of course, came the President's directive and the statement that, because of his desire to have a balanced budget for 1963, because of defense needs, he was asking all the departments to effect economies.

The first indication came from the Budget Bureau to us of what was expected out of HEW. This was indicated to be roughly about \$116 million. I recognized the President's problem and his desire, but I also recognized that \$116 million was a lot of money. I thought it would be difficult for us to cut \$116 million.

There were meetings between our staff and the Budget Bureau staff in which suggestions came from them as to where the reserves should be put into effect. It was their feeling that \$90 million should be reserved for NIH. There were other items where they indicated they wanted reserves.

Mr. FOGARTY. Did you say \$116 or \$160 million?

Secretary RIBICOFF. \$116 million. I personally didn't like their method because I could see that it was fraught with many internal and external problems. After all, you have about 75 different appropriation items in this Department.

Then I recognized, too, that to treat NIH differently, to cut \$90 million of NIH, would arouse a very considerable storm in this country and in the Congress of the United States. It would look like we were singling out one agency to take the brunt of the cut.

I told the Budget Bureau, as far as I was concerned, if this was what had to be done, I certainly would go along; but that I would rather put it into effect by a different method.

It would seem to me that the fairest way of making such economies and avoiding hard feelings internally—a comparing of “Why did you cut off one department instead of another?”—without looking like we were punishing NIH, that—after certain exceptions such as hospitals where you had patient care, the question of radiological research because of the Russian testing and fallout, the civil defense stockpile because it was part of the defense need—that it was my suggestion that the cuts be made basically across the board.

They demurred to this. They didn't like this, but there were many discussions between the Budget Bureau and myself. Finally they said, “You are the boss of your Department; if this is the way you want to make the cuts, you go ahead.”

We finally went down to a little under \$102 million, from \$116 million. I felt nobody would be happy with this, but at least we were trying to treat all the departments basically the same.

Then in addition I got Jim Kelly, Rufus Miles, and Ivan Nestingen—the key people in our Department—together and I asked them to analyze the entire budget and to start conversations with all the operating agency heads.

They came up with proof showing that there were some expected savings without forced reductions. If the President or the Budget Bureau had not given any orders, there would be expected savings in the National Institutes of Health of \$15,823,000; defense education activity, \$19,318,000; Food and Drug Administration salaries and ex-

penses, \$633,000; the National Library of Medicine, \$155,000—making a total of \$35,929,000, or approximately one-third of the \$102 million.

So there were forced savings required of \$65,903,000. I then asked that meetings be set up with every agency head to go over with them their programs to see which programs had the lowest priority, to see where the least amount of damage would be done, to see how the agencies could best operate with a cut that represented about 21 percent of new money. Of course we couldn't cut formula grants to the States or anything like that.

So these meetings were held and every agency head came in and there was a general discussion. There was a great deal of discretion allowed. Mr. Chairman, with each agency. In other words, the Secretary did not tell each department head, "You cut here," or "You cut there."

If I wanted the flexibility from the White House to use my system instead of theirs, I was going to give every agency head the same discretion with his budget, within each appropriation.

These meetings were held. As a result of the series of meetings came the individual reserve items, Mr. Chairman.

I don't know whether this is true, but I understand the method that I used was not used by any other department. I don't know. I know there were many discussions. They were very unhappy with my using the method that I did, Mr. Chairman. But they did come along and say, "Go ahead; if this is how you want to do it, you are the boss. Do it your way."

That is why I wanted to take time out to indicate to you how we went ahead putting these reserves into effect.

Mr. FOGARTY. My position has always been—when Congress tried to cut these appropriations by the so-called Jensen formula and other formulas a few years ago—that that wasn't the right way to cut them. I thought we ought to go into every individual item and either approve the budget, add or cut on the basis of the merits of the proposals that were before us.

TIME OF FIRST ACTION ON RESERVES

You say the President first suggested this. When was that—when the Bureau of the Budget came up with the \$116 million?

Secretary RIBICOFF. I don't have the date. I think it was made public—

Mr. KELLY. In October it was made public. I suppose we started around the middle of September; but I don't have the specific date.

Mr. FOGARTY. I think it was around the middle. The President didn't sign the bill until the 22d.

Secretary RIBICOFF. It was known, I would say, that the President was concerned with the problems of a growing deficit and the defense needs. I would say preliminary talks were initiated between the staff of the Budget Bureau and the staff of our Department, Mr. Kelly and Mr. Miles—

Mr. FOGARTY. Generally when the President is not satisfied with a bill, he signs it with some reservations. But it is my understanding that he signed this bill with no reservations at all. For instance in the hearings with the Labor Department last week, we talked about

the fact that when the Mexican labor program was extended for 2 years, he signed it reluctantly with certain reservations.

But when this bill was signed on the 22d of September he apparently signed it with no reservations. So this reserve business came as sort of a shock.

BUREAU OF THE BUDGET GUIDELINES

Did the Bureau of the Budget give you any urging to establish specific amounts of reserves out of specific appropriations? Or was this all worked out from the beginning by you and your people?

Secretary RIBICOFF. I would say originally the figure was suggested by them. They did have discussions—not with me on specific items, but with our staff. Mr. Kelly is here and can answer that.

I think Mr. Kelly was in the discussion about the specific reserves they wanted to set up. In the discussions between the staff and myself, we all agreed that we were very unhappy with the specific items. I wasn't happy and Mr. Kelly wasn't happy. I was particularly unhappy with the thought of cutting NIH \$90 million.

At least with my method, if NIH was cut \$60 million it would not appear that we were retaliating against the Congress because of having boosted the NIH appropriations to such a large sum. My attitude was this, that we made suggestions, and the Congress went ahead and made its own appropriations; and that we should not have a different formula in cutting the Executive's suggestions than we would the actual appropriations made by the Congress.

I have the highest respect for the role of Congress in our governmental system; and if we were going to make cuts and if we had to make cuts, that every appropriation—whether it was one that came originally from us or originally from you—would be treated the same; that we would not make a bigger cut over a congressional authorization or congressional appropriation than we would one that we had originally suggested.

So I was determined to treat every appropriation the same way.

Mr. FOGARTY. What were these first suggestions that they gave you?

Secretary RIBICOFF. Mr. Kelly?

Mr. FOGARTY. Do you have a list?

Mr. KELLY. I do not have them with me, Mr. Chairman.

Mr. FOGARTY. Can you bring back the list this afternoon so we can see it?

Mr. KELLY. Yes.

Mr. FOGARTY. We will put that in the record.

(The requested information follows:)

Bureau of the Budget suggested areas of reduction, fiscal year 1962

[In thousands of dollars]

National Institutes of Health-----	93,335
Environmental health-----	6,480
Hospital construction research-----	7,000
All other-----	10,000
Total-----	116,815

A further breakdown of "All other" is:

Salaries and expenses, Food and Drug Administration-----	\$600
Research and training, Office of Vocational Rehabilitation-----	2,100
Community health practice and research-----	1,200
Hospitals and medical care-----	613
Foreign quarantine activities-----	200
Indian health activities-----	404
Indian health construction-----	2,000
National Library of Medicine-----	155
Other PHS-----	300
St. Elizabeths Hospital-----	166
Social Security Administration-----	110
Special institutions: Howard University, Gallaudet College, and American Printing House for the Blind-----	270
Freedmen's Hospital-----	668
Office of the Secretary-----	210

Mr. FOGARTY. Just when was this?

Mr. KELLY. As near as I can determine, it would be about the middle of September. I do recall that this action was too late for us to consider it in our formal submission to the Budget Bureau, which was due on the 30th of September.

So our formal submission to the Budget Bureau never actually reflected any of these changes. They had to be reflected later after our negotiations with the Budget Bureau on the 1963 budget.

CHANGES FROM ORIGINAL BUDGET BUREAU GUIDELINES

Mr. FOGARTY. As you said, the reserves you actually established are smaller than those originally suggested by a little over \$14 million.

Mr. KELLY. \$14 or \$15 million.

Secretary RIBICOFF. That's right.

Mr. FOGARTY. Were the changes made by you independently, or were they the result of negotiation with the Bureau of the Budget?

Secretary RIBICOFF. The changes that we eventually made?

Mr. FOGARTY. Yes.

Secretary RIBICOFF. The changes we eventually made were made by us; then we informed them of them. Once the principle was established of how they would be done, Mr. Chairman, we had the responsibility.

Mr. KELLY. Actually, it was more than a change: it was a completely different approach. It bears no relationship to their suggestions.

Secretary RIBICOFF. I would say in all fairness to the Budget Bureau that I wasn't in Washington; I had a series of speaking engagements across the country. But there were many discussions. I must confess that they didn't like my approach, Mr. Chairman. There

were many discussions before they finally went along with my approach.

DEPARTMENT DISCUSSION WITH THE BUREAU OF THE BUDGET

MR. FOGARTY. In your discussions with the Bureau of the Budget, were they short and friendly, or were they long, drawn-out, tedious negotiations?

Secretary RIBICOFF. Let me say this: You have to talk to Mr. Kelly about the individual discussions with the Budget Bureau. Mr. Kelly did this with the staff on the individual items.

When you say "short and friendly," I think—to adopt my method—it went over a period of 3 or 4 days. Then Mr. Sorenson came in and tried to convince me I was wrong, too, but he went along with my point of view. Let me say the discussions were friendly, but firm.

I have always treated Mr. Bell and Mr. Sorenson with the utmost courtesy, and they have always treated me the same way. You can have discussions without raising voices or being angry. But I was firm in my method because I felt in a department like ours, Mr. Chairman—again I call back my own experiences as Governor, because I had the same problem—I tried to point out to them that if we took their method, the storm of criticism would be very, very great. I think the storm of criticism that we had was great anyway.

But suppose we had cut NIH \$90 million.

MR. FOGARTY. What is Mr. Sorenson's title?

Secretary RIBICOFF. Special assistant to the President.

MR. FOGARTY. Is he in charge of the Cabinet officers, too?

Secretary RIBICOFF. No. But I think he often speaks for the President.

MR. KELLY. He is the counsel.

Secretary RIBICOFF. He is counsel for the President. I think that is his title.

MR. COHEN. Special counsel.

MR. FOGARTY. I know who he is, of course; but I just wondered what his title is.

MR. KELLY. Special counsel.

MR. FOGARTY. Would you say your negotiations were short and friendly—I asked this same question of Secretary Goldberg—or long and drawn out?

Secretary RIBICOFF. I would say all in all they were long. When you say "short and friendly," there were conversations that extended probably—would you say a week or 10 days—to establish the formula.

MR. KELLY. Yes.

Secretary RIBICOFF. In other words, the difference of the formula became a matter of policy, Mr. Chairman, in which there were firm positions taken by the Budget Bureau and firm positions taken by me. It was only after these discussions and conversations over a period of about 10 days that they consented to my point of view to establish my method instead of the method that they preferred.

MR. FOGARTY. How many discussions were there between your people and the Bureau of the Budget before this matter was settled?

Secretary RIBICOFF. Would you answer that, Mr. Kelly?

Mr. KELLY. I guess more than a half dozen over some extended period. I wouldn't characterize it as being acrimonious discussions, but we obviously had a difference of viewpoint on what you should do and how you should do it.

This was discussed until it was firmed up into a policy issue; and then the conversations which the Secretary refers to, between him and the Director of the Budget Bureau, took place. It was not susceptible to being resolved at the staff level.

CHRONOLOGY OF ESTABLISHMENT OF RESERVES

Mr. FOGARTY. What was the elapsed time from the date actual figures were first suggested and the date when agreement on the reserves was reached?

Mr. KELLY. I would again have to get that. But I would suppose it was about a week before we actually had a set of figures that we were prepared to say that this was the action.

Mr. FOGARTY. Could we have it all clearly set forth and put in the record—a complete chronology of each step in the process from beginning to end?

Mr. KELLY. Yes, sir.

(The requested information follows:)

CHRONOLOGY OF ESTABLISHMENT OF 1962 BUDGET RESERVES

October 6, 1961.—Telephone call from Director, Bureau of the Budget, to the Secretary explaining President's desire to effect economy reductions below the amounts appropriated for 1962 because of a number of factors.

October 7, 1961.—Meeting between Bureau of the Budget staff, Under Secretary of HEW, Administrative Assistant Secretary of HEW, and HEW budget officer at the Bureau of the Budget. At meeting Budget Bureau indicated a total HEW reserve of \$116,815,000 and recommended a distribution of this amount among selected HEW programs.

October 7 and 8, 1961.—Department budget staff developed several alternate proposals for a distribution of the budget reserve and identified the program impact of these alternatives.

October 9-14, 1961.—Discussion of Department alternative proposals with members of Department Budget Review Committee and with Secretary Ribicoff. Across-the-board proposal totaling \$102 million elected by Secretary. Discussions between HEW staff and BOB staff of HEW's alternate proposal for reflecting reductions.

Discussions between Secretary Ribicoff, Director of the Bureau of the Budget Bell, and White House Aide Sorenson.

By October 16, 1961.—Bureau of the Budget agreed to across-the-board reduction for HEW of \$102 million.

October 17, 1961.—Heads of operating agencies of HEW attended meeting at which the Secretary informed them of budget reserves and their distribution.

October 26, 1961.—Statement on 1962 and 1963 budget outlook by President Kennedy to his Cabinet released by the White House. In the statement the President announced that the autumn budget review would reflect expenditures substantially less than they might have been under the authority enacted by the Congress.

November 2, 1961.—Memorandum from Under Secretary to operating agency heads confirming Secretary's oral instructions of October 17, 1962.

Mr. FOGARTY. The negotiations, then, were more or less over policy, and not over the amount?

Secretary Ribicoff. I would say the \$116 to the \$102 million was to amount. I would say the basic decision was policy. Then there were discussions as to the amount.

DIFFERENCE BETWEEN HEW AND OTHER AGENCIES

Mr. FOGARTY. We have had only a few days of hearings, but we have heard several items where there were increases in 1962 and no reserves—the Office of the Secretary of Labor, the Bureau of Employees' Compensation, the Women's Bureau, the National Labor Relations Board, the National Mediation Board, and the Mediation and Conciliation Service.

Why this difference between you and the rest of the Government?

Secretary RIBICOFF. I would say it is because I felt that mine was a sounder policy.

Mr. KELLY. I think, Mr. Chairman, this goes back to the question of the method of distributing. Ours was an attempt to make an equitable distribution of this reserve that had been made among all of the increases which were subject to administrative control. This exempts the formula grant programs.

Similar to the Department of Labor, we exempted those activities that were engaged in patient care, plus radiological health and civil defense.

Secretary RIBICOFF. This was one of the reasons for the discussions. They felt my method was different from the rest of the Government, Mr. Chairman. I take sole responsibility for it. You see, first we have a diversified and a wide-flung Department.

Who can say which one of these programs is not important, and who can say which one doesn't have meaning? They have meaning for the people. They have meaning for the Congress, each and every one of them.

A while ago I wasn't able to finish my statement. I went back to my own experience in these cuts. I know the Jensen program. I went back to my own experience as Governor when I was faced with a similar problem.

I know if you are going to get that government to work, with everybody cooperating with you, you can't have one agency or one bureau feel that they were being singled out for discrimination when money was being cut. It became very important—because of the many programs that we had—that everybody was treated the same for morale purposes and for effective operations. We took into consideration the sensibilities and the request within every appropriation by the department heads.

I must confess that they didn't like my method, but they acceded to my method.

REASON FOR RESERVES FOR FORCED SAVINGS NOT BEING APPORTIONED

Mr. FOGARTY. The Department of Labor has reserves for savings in eight appropriations and all have been approved by the Bureau of the Budget through the regular apportionment procedure. You have 40 such reserves and the Bureau of the Budget has only approved one of them, according to a letter I have received from the Acting Director.

Mr. KELLY. That is right, Mr. Chairman. We did not use the apportionment procedure but established this as an administrative reserve. This was also discussed with the Budget Bureau. They

left it up to the election of each department as to whether or not they used the apportionment process for establishing these reserves, or whether they did it within the department as administrative reserves.

Up until that letter was sent to you, I did not know whether or not we were the only department that did it by administrative reserves. But apparently, in looking at the list attached to that letter, the preponderance of the departments did it the way we did it—of not using the apportionment procedure for the establishment of these reserves.

It was left to the election of each department. It makes them no more or no less the reserves under the President's program.

Mr. FOGARTY. It looks to me as though they were trying to get out from under and left you holding the bag. It looks as though they thought you had a bear by the tail and they were going to let you hold on it if you could. That is the way it looked to me—talking about the Bureau of the Budget.

Secretary RIBICOFF. I will say this, Mr. Chairman. I have been in this business a long time. I have never run away from a problem, and never sought to put the blame on anybody else. Basically you go along, and if you have a problem you handle it. If you get the blame and you are a man, you stand up to it and you take it, whether you deserve it or not. I don't ever intend and I hope never as long as I live to try to put the blame for anything on anybody else's shoulders.

Mr. FOGARTY. I am not accusing you—

Secretary RIBICOFF. No.

Mr. FOGARTY. I am just saying that that is what it looks like to me when they don't formally put these funds in reserve but let you do it informally.

SIZE OF RESERVES COMPARED TO REST OF GOVERNMENT

From the letter I received from the Bureau of the Budget it appears that you have more in reserves for savings than all the rest of the Federal Government put together. Is that right?

Secretary RIBICOFF. I don't have their figures, Mr. Chairman. But I would say we have a big Department. Of course I imagine defense would probably have larger reserves than ours. But when you have a budget of \$4.5 billion, naturally you have a greater allocation that you are asked to take.

Mr. FOGARTY. I thought the idea was to try to save as much money in the domestic area as possible so that we could put more in defense.

Secretary RIBICOFF. Except for the defense item, I think, of bombers, which they felt were not necessary—\$600 million, I believe, is what I read in the newspapers.

Mr. FOGARTY. I can't speak for Mr. Laird, but I think he will make the point—he made the point the other day with the Secretary of Labor—that these appropriations have been programed for the Department of Defense, so that the increase in actual expenditures is not going to occur in 1962, but will occur in 1963.

Mr. LAIRD. That is true, because of the new obligational authority for the B-52's and the Dyna-soar program. All of that money will be expended in fiscal year 1963 rather than 1962.

Mr. FOGARTY. The question I asked, Mr. Kelly, you wanted to comment when I interrupted—from the letter which I received from

the Bureau of the Budget, it appears you have much more reserves for savings than all the rest of the Federal Government put together.

RESERVES FOR SAVINGS WHICH ARE NOT FORCED

Mr. KELLY. We have only two items actually in reserves for savings, Mr. Chairman. Neither one of these items we are talking about is forced reductions. One item is that we have funds in the 1962 budget for the rental of additional space for the Food and Drug Administration.

When we went to lay out our programs for the year, it became apparent that that space would not be available in 1962, that we wouldn't have the space to pay the rent on; so we deferred it until 1963. Since it is an annual appropriation, these funds will not be used and they are apportioned for reserve for savings.

The other one is a little more complex. That is in connection with the National Defense Education Act. You will recall that some of those funds were 2-year funds. Some of them are last year funds available this year, and some of them are new funds. But the Office of Education had computed that there was about \$15,800,000 available to it that the States would not request, that it was available for matching State operations primarily in the purchase of equipment in the field of mathematics, science, and foreign languages, and that there would not be a demand for it.

Mr. FOGARTY. The Bureau of the Budget said that this is a reserve for savings—this \$15 million. That is kind of a phony, isn't it?

Mr. KELLY. It is not a reserve because somebody saves something; it is a reserve that is available as a reduction to what will be spent. It will not be used. I don't think that the term "for savings" is intended to convey that you are doing something cheaper than you otherwise would have done.

But it is intended to convey that it is appropriated funds that will not be needed for any one of a number of reasons.

Mr. FOGARTY. As an experienced man in budget making, you would recognize that; but the average person, when he reads "reserves for savings," thinks that this is something that is going to be saved, not just postponed.

This is actually postponed, isn't it?

Mr. KELLY. Yes. However, the funds have to be appropriated again for this rent. These funds will expire.

Mr. FOGARTY. You don't agree with the Bureau of the Budget, then, that you have more reserves for savings than all the rest of the Federal Government?

Mr. KELLY. I looked over the list, and the list hasn't got very much in it. However, it is not at all unusual for an agency, even if they think they have funds that they will not use, to put them into reserve for contingencies rather than reserve for savings until late in the year, at which time they are certain that they will be saved.

Mr. FOGARTY. Do you think the Bureau of the Budget is wrong here?

Mr. KELLY. No. I think what they gave you was a technically accurate listing. But I don't think that it conveyed to you the total

impact of the administration's economy program with us in perspective with others.

Mr. FOGARTY. Let's get down to a few specific examples.

RESERVES IN THE FOOD AND DRUG ADMINISTRATION

First, Food and Drug. You asked for \$23,580,000. Because of some unfortunate controversy over the labeling of an article that upset some people, that was cut by the Senate and, in the conference between the House and the Senate, it finally ended up \$23 million.

Even though the budget estimate was cut by \$580,000, you still have put \$1,146,000 in reserve for savings.

Mr. KELLY. Mr. Chairman, of that \$1,146,000, \$633,000 of it was a savings that would occur without regard to the economy program.

Mr. FOGARTY. What does that leave, then?

Mr. KELLY. It leaves \$513,000, which was a reduction that they were required to take as a result of the imposition of this economy program, which constituted 21.4 percent of their available new funds—the funds that were in excess of those that were available in 1961.

Mr. FOGARTY. So, as a result of the cut made by the Senate and the cut made by you people, they have over a million dollars less than what they asked for, for 1962.

Mr. KELLY. That's correct, sir.

Mr. FOGARTY. This figure was just the bare minimum—as I understood it at the time—recommended by the special committee appointed by Mrs. Hobby to bring the Food and Drug Administration up to somewhere near what they thought it ought to be.

But what I can't understand is that here you cut this 1962 figure back \$500,000. Now you are asking for \$28,400,000 for 1963. How can there be that much of a change in just 3 or 4 months—asking them to cut back \$500,000 and then asking for an increase of \$5.4 million?

Secretary RIBICOFF. We figure that next year will be a different and better year, Mr. Chairman. I suppose from the President's standpoint he is trying, as much as possible, to have the same income and outgo.

Of course there are many things you would like and many things you want and many things you need. But generally you try to spend in accordance with what you have available. If you don't think you have it, to keep from going into a hole you try to save where you can, even though you would prefer not to save.

Mr. KELLY. I think that is the significant difference, Mr. Chairman. In fiscal year 1962 there will be a significant deficit. In fiscal 1963 the budget will be a balanced budget. It permits that expansion. But if in 1962 it occurred, it would further increase the deficit, which is already great.

RATIONALE FOR THE RESERVES

Mr. FOGARTY. There is something I can't get straight in my mind. These reserves, I thought, were effected because of an increase in defense spending. Do these increases now mean that we are going to have less Federal spending for defense next year?

Secretary RIBICOFF. I guess the general revenues of the Government will be that much higher, and the President feels that he cannot go ahead and expand these programs and also expand the amount for defense. This is the general philosophy that we are operating under;

and, of course, as the executive branch, I think we have the duty to go along with the President and the philosophy that he lays down.

Mr. FOGARTY. Mr. Laird, you sit on the Subcommittee of Defense. Is there going to be less spending next year, or what?

Mr. LAIRD. I have just been over at the Defense Subcommittee during the last few minutes asking questions of Secretary McNamara. He is asking for \$51.7 billion new obligation authority, plus carrying over from the 1962 budget almost \$2 billion of old spending authority which has not been used—which will make available to them about \$54 billion for fiscal year 1963.

And there will definitely be an increase in actual expenditures in 1963 over 1962, according to their figures.

Mr. FOGARTY. That is the point I haven't been able to clear up. These reserves were made to lower the 1962 domestic spending because of the military buildup but the military expenditures are increasing in 1963 and you are asking for increases in 1963. If these increases make sense, and they do to me, then the cutback in 1962 doesn't make sense.

Mr. KELLY. I think the problem that faced the President in 1962 is that the income of the Federal Government was decreased because of the downturn in the economy which had occurred in the preceding period; and he felt a need to increase the expenditure rate particularly for defense.

It was his desire to be able to fulfill the international defense obligations, it was his desire to minimize inflation, it was his desire to lay the groundwork for a balanced budget in 1963, and it was his desire to minimize the deficit which is already forecast at pretty close to \$7 billion for 1962. But because of the improvement in the national economy, the income of the Federal Government in 1963 is predicted at a higher level, and therefore in the apportionment of available resources, he was able to apportion to the Department of Health, Education, and Welfare a greater share than in 1962.

Mr. LAIRD. Mr. Chairman, may I ask a question?

Mr. FOGARTY. Yes.

PLACING OF 1963 FUNDS IN RESERVE

Mr. LAIRD. It is my understanding that the projected budget which you present to us today is based upon a premise that revenues will be increased by about \$10 billion in fiscal year 1963. Senator Byrd and members of our Appropriations Committee have indicated that that estimate, as far as the revenue increase is concerned, is not a very good one—that it is too high.

Am I to understand that, if the revenue estimate is not correct, that this will mean you will again place appropriations made for the Department of Health, Education, and Welfare in reserve in fiscal year 1963?

Secretary RIBICOFF. I don't know, Mr. Laird. I would say that the Department of HEW will do and follow out whatever the Presidential policy may be at a given moment. After all, the overall policy is made by the President. He hopes, and I think believes—and I believe with him—that this will not be necessary.

What move the President would make under the circumstances you talk about I cannot anticipate in all truthfulness.

Mr. LAIRD. The Bureau of the Budget estimated that the deficit this year would be \$3,600 million at the time the bill was under consideration by this committee. Our party's committee staff at that particular time estimated that the deficit would be \$7 billion.

Secretary RIBICOFF. You hit it right on the nose.

Mr. LAIRD. I used that estimate in one of my newsletters to my constituents. Some members of the opposition in Wisconsin, in newspaper editorials and so forth, were very critical. I had taken this from our staff; it wasn't my estimate. I don't take credit for it.

What if this same thing would happen again—that this revenue estimate of a \$10 billion increase is not correct—would your budget be the first to make reductions?

Secretary RIBICOFF. When you say first to take the reductions, I would say that we would be treated about the same as all other departments would be treated. I would guess that the President and the Budget Bureau would look at the circumstances of the economy, look at the problems for the coming year, look at the size of the deficit, look at the international needs, the defense needs, and then make their recommendation, taking into account all these factors.

I cannot anticipate what the President might feel and do next September or October in all truthfulness. I would say this in all honesty, that if the President and the Budget Bureau felt that circumstances were similar to what they were this year and that cuts had to be made and reserves set up, as long as I am part of the team I would go along with the President.

EARLIER EFFORTS TO SECURE ADVICE FROM EXECUTIVE BRANCH ON PROPER LEVEL OF DEPARTMENT'S 1962 BUDGET

Mr. LAIRD. I understand that, Mr. Secretary. My problem dates back to August 11, when I wrote to you and also wrote to the President about your 1962 budget. I was interested in finding ways and means of establishing fair figures for the House and the Senate conference committee to establish.

I was told by the White House that the establishment of the budget level was something that the Congress would have to do; and that if funds were made available by the Congress, that would be the program carried out by the Executive.

I was trying to get some guidance and leadership from the administration in this whole area of setting the budget for HEW. But at that particular time you and the White House would not indicate that there could be any savings. Some few days later I understand you were having conferences—

Secretary RIBICOFF. About a month later. I think Mr. Kelly will try to get the dates. While you were out, the chairman requested the dates when these were started. I think, if my memory serves me right, it was about a month later that the conference started—about September 15. Your letter was dated August 11. So it is about a month later.

I think as of August, no policy decision had been made, if my memory serves me right. I don't have the dates and I didn't make any notes.

Mr. KELLY. The necessity for the action, Mr. Laird, I do not believe was in mind at the time of your correspondence. I say that because every year the Bureau of the Budget puts out what they call a midyear review following the final congressional action, which is a new estimate of income and a new estimate of expenditures all the way down the line.

Mr. LAIRD. I was merely trying to be helpful to your Department.

Mr. KELLY. Yes, I understand. But it was in the midyear review—

Mr. LAIRD. I was rather surprised that, before I could even get a reply to my letters, I was finding out what your answers were going to be from the Senate. The answers were cleared with certain Members of the Senate before I had even received a reply to my letter. How does that happen?

Secretary RIBICOFF. In all frankness, there are strong differences of opinion between you, Mr. Laird, and Members of the other body. They were deeply concerned—

Mr. LAIRD. I always had to get my information first from the other body.

Secretary RIBICOFF. This I don't know.

Mr. LAIRD. That is all I have.

RESERVES IN TRAINING TEACHERS FOR THE DEAF

Mr. FOGARTY. The second example I will use is "Training teachers of the deaf," this is new legislation. You asked for \$1,500,000, and when we appropriated that much you put \$337,000 in reserve. Now you are asking for \$1,500,000 for 1963.

Secretary RIBICOFF. That is a very worthwhile and good program, Mr. Chairman.

Mr. FOGARTY. This is the first time we ever did anything like this in the Department, isn't it?

Secretary RIBICOFF. It is. It is an outstanding program. I think it is very worthwhile. I hope we are able to expand and that conditions will allow us to expand.

Mr. FOGARTY. Do you think the \$1,500,000 limitation is too small and should be expanded, and that the length of the legislation—which I think is only a 2-year program—should be expanded?

Secretary RIBICOFF. I think I have just signed a letter to Chairman Powell on your bill, Mr. Fogarty, in which we go along and approve your request for the education of the mentally retarded children and other areas and for other purposes, and removing the existing authorization limitation of \$1 million. We think it is a very, very good program. We would like to see it expanded. I personally would like to see it expanded. I am glad that the Budget Bureau has gone along with us.

This letter of approval will be filed today with Chairman Adam Powell on your bill.

Mr. FOGARTY. May we have a copy of that for the record?

Mr. COHEN. Yes, sir. That would, as you recall, take the appropriation limit of the \$1 million a year off.

(The letter referred to follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, January 30, 1962.

HON. ADAM C. POWELL,
Chairman, Committee on Education and Labor,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of July 27, 1961, for a report on H.R. 7175, a bill to amend the act of September 6, 1958, relating to expansion of teaching in the education of mentally retarded children so as to make it applicable to the other areas of exceptionality, and for other purposes.

This bill would amend Public Law 85-926 so as to include with mental retardation the other major areas of special education in the program of Federal assistance authorized by the act, and to remove the existing appropriation authorization limitation of \$1 million annually.

Public Law 85-926 was enacted in 1958 in recognition of the severe shortage of trained teachers of mentally retarded children, the lack of fully qualified professional personnel to train teachers in this field, and the inability of individual States to deal adequately with the problem because of the lack of university graduate programs in most States and most areas of the Nation. The act authorizes the Commissioner of Education to (1) make grants to colleges and universities to assist them in providing training of professional personnel to conduct training of teachers in fields related to education of mentally retarded children; and (2) make grants to State educational agencies to assist them in establishing and maintaining fellowships or traineeships for personnel engaged or preparing to engage in employment as teachers of mentally retarded children or as supervisors of such teachers.

In all areas of special education for exceptional children there is a severe shortage of qualified personnel to conduct teacher education programs, to supervise programs in State and local school systems, and to teach the children. The Office of Education estimates that about 200,000 special educators are needed to adequately instruct the approximately 5 million school-age children in the various areas of exceptionality included in this bill. Today, only 50,000 to 55,000 special teachers are employed in the Nation's public and private day schools and residential schools, and they provide instruction for only one-fourth of the children in need of special education.

In recent years the States increasingly have recognized the educational and social necessity of providing educational opportunities for children who, for a variety of reasons, require special instruction in order to receive an education commensurate with their ability. State laws authorizing special education programs in local schools, and providing additional financial assistance for such programs, have been greatly expanded and liberalized in nearly all States. At the same time, there has been a corresponding increase in private interest in this area. The one major obstacle to the development of these educational programs is the shortage of teachers who are trained to work in this field. This shortage is almost entirely due to the lack of professional personnel to train teachers.

The Federal Government can make a significant contribution to easing this shortage of teachers and to encouraging the development of adequate programs of special education. The provisions of Public Law 85-926 are sufficiently flexible and comprehensive to help meet the needs of all areas of special education, as specified in the instant bill. Accordingly—as the needs are equally urgent for all areas of special education of exceptional children—we believe that the program authorized by Public Law 85-926 should be extended to cover each of these areas.

We recommend that H.R. 7175 be enacted.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

ABE RIBICOFF, *Secretary.*

Mr. FOGARTY. What about the bill for training teachers of the mentally retarded?

Mr. KELLY. Mr. Chairman, this letter, as I recall, deals with the bill which covers all of the exceptional children; so it puts together the problems of the mentally retarded and the problems of other areas.

Mr. COHEN. The hard of hearing, those with speech impaired, mentally handicapped, deaf, emotionally disturbed or maladjusted, crippled, or with other health impairments. It covers the whole program.

Mr. FOGARTY. That is good. That is being sent today?

Secretary RIBICOFF. It will be sent over to Chairman Powell today, Mr. Chairman.

FOOD AND DRUG ADMINISTRATION BUDGET FOR 1963

Mr. FOGARTY. I noticed in the chart that we have before us, the Food and Drug Administration requested of the Department, \$34,873,000; and you cut that down to \$31,714,000. What was the reason for that cut?

Secretary RIBICOFF. The present budget would create 611 new positions; and not allowed by the Bureau of the Budget, 70. We try to keep pace with the citizens' advisory committee recommendation to increase consumer protection. The budget provides 31.3-percent increase in funds and 25.3 percent increase in staff.

Our feeling is that that is about as fast as they can feasibly go with personnel and facilities. We feel it is a pretty good orderly growth for the Food and Drug Administration.

RESERVE FOR 1962

Mr. FOGARTY. Mr. Secretary, I think we ought to be spending \$100 million instead of \$28 million. I think they could and should grow at a faster pace. But you even cut them back \$500,000 in 1962. That makes it all the more difficult.

Secretary RIBICOFF. Of course, we try to plan these things out on a 5-year basis. There is a sense of reality that we have to work with and we work with the Budget Bureau in trying to accomplish this, and anticipating what the problems are. We try to develop an overall budget.

Taking into account the entire budget, I think the President has treated the Department fairly well overall.

Mr. FOGARTY. I just don't happen to agree with the President on this. You have held in reserves \$500,000-odd and the Senate had already cut it over \$500,000. That was a big blow to the enforcement of the food and drug laws when we ought to be expanding instead of going the other way.

Just consider the cost of medical quackery to the Nation. I think we could spend five times the amount of money on this type of work, and it would save untold millions of dollars to people who are being sold worthless things by quacks. I think we will get more money back than we spend.

COMMITTEE TO SEEK IMPROVEMENT IN THE FOOD AND DRUG PROGRAM

The recommendations of the old Citizen's Advisory Committee we agreed last year, is way out of date. That Committee's recommendations are 7 or 8 years old. They recommended a 5- to 10-year improvement program.

Secretary RIBICOFF. As you know, on your recommendation last year, Mr. Chairman, we have appointed a new Committee that is working now to update this whole program.

Mr. FOGARTY. But they haven't come up with any recommendations yet?

Mr. KELLY. We expect recommendations in April.

Mr. FOGARTY. Do they expect to report in April?

Mr. KELLY. Yes, sir.

Secretary RIBICOFF. They have been working pretty steadily under the chairmanship of Professor Harvey of the University of Missouri.

Mr. FOGARTY. Yes, he was a very valuable staff member of this committee for many years. I think he will do a very good job. If they come up in April with some suggestions that we ought to be spending, instead of \$28 million, \$60 million, do you expect to ask the Bureau of the Budget to send us a supplemental request?

Secretary RIBICOFF. Well, I would say this. If they came up with a program, we certainly would take that program to the Budget Bureau, because this is a Committee that has been appointed by us; and if this is the recommendation, I would hope that we would certainly make the effort with the Bureau of the Budget to go along with our own Committee.

Mr. FOGARTY. The Food and Drug Administration has always been a conservative group because it has been spanked by Congress a few times, because of the enforcement of its laws in various Members' districts.

I would think, if they asked for \$34,800,000, that that would be a conservative budget.

Secretary RIBICOFF. I think, of course, we will have to come back anyway, because we will have a program for the Food, Drug, and Cosmetic Act amendments. If Congress should vote that, we will have to be back here, anyway, to ask for the money to put that into effect.

RADIOLOGICAL HEALTH ACTIVITIES

Mr. FOGARTY. This request excludes estimates for a budget amendment for radiological health activities. What has happened to that amendment? Is it still before the Bureau of the Budget?

Mr. KELLY. It is pending before the Budget Bureau. They have asked the Federal Radiation Council to make a study of certain aspects of the interrelationship of our Department with other Government agencies such as the AEC and the Weather Bureau before acting on the request.

RESERVES FOR VOCATIONAL REHABILITATION

Mr. FOGARTY. "Vocational rehabilitation research and training": They asked for \$17,250,000 for 1962. Our committee increased this by \$1 million to establish two regional centers in rehabilitation. I think money has been allocated to New York and Minnesota.

The Senate added another \$2 million to it, which made an overall amount of \$20,250,000. It is my understanding that you put \$1,250,000 in reserves, for savings, and now you are asking for about \$24 million for 1963.

For many years now this committee has been told that it is a conservative estimate that for every Federal dollar we put up, we get \$10 back. The Federal Treasury gets \$10 for every Federal dollar spent.

Is there anything wrong with that estimate, or is it out of line?

MR. KELLY. Not to the best of my knowledge.

Secretary RIBICOFF. I think it is a wonderful program.

MR. FOGARTY. Why in the world should we cut back a program like this that is making money for the Federal Government? This is what happens with these across-the-board cuts and that is why I am against them.

MR. KELLY. Mr. Chairman, could I just say that I agree with you that the Jensen type of across-the-board cut, I think, is a very difficult thing to live with. I think we did differentiate from that in several respects.

MR. FOGARTY. Mr. Jensen wasn't completely across the board. He exempted certain areas.

MR. KELLY. Yes. But we applied this only to additional funds and not to total funds. So it had the effect in a great many instances of delay in the starting date and decreasing the amount of the increase which the Congress allowed.

Recognizing the importance of this program and the desirability of it, I think you can come pretty close to saying that about each of the programs. Now, after discussion between the executive branch and the Congress, and the House and Senate, it had been agreed to; and this appeared to be a method of accomplishing a reduction, which was the most equitable method of accomplishing it. And every time you exempt one of these programs, you have a greater impact on another program if the same total is to be saved.

MR. FOGARTY. I realize that. But I want you to know that it is not easy for this committee to increase the appropriation request for the Labor Department and the Department of HEW. I am sure the committee will never go along with any increases unless the majority of the members think they are going to get real tangible results. The only increases that we made in the overall bill were in the most important phases—what we thought were important, anyway—in the whole program.

NUMBER OF VOCATIONAL REHABILITATIONS

We increased the Institutes of Health. We increased Vocational Rehabilitation because we thought this was one of the most important areas in the Government. We listened to the report by Mrs. Hobby several years ago. She thought that we ought to be rehabilitating 200,000 a year in 5, 6 or 7 years. We haven't rehabilitated half that number in any year yet. We haven't reached the 100,000 mark.

MR. KELLY. This year.

Secretary RIBICOFF. This year we will.

MR. FOGARTY. The last figure I had was about 98,000. That is only half of what Mrs. Hobby said several years ago we ought to be doing. I think in this field we have gone backward. I just can't understand why you would apply this across-the-board cut to an area like this.

where there is such a demand, when we are not meeting half of our responsibility in rehabilitating those who should be rehabilitated.

So every increase we have made in this 1962 budget was in the areas that we thought carried the highest priority and were the most acceptable and important to the Congress and to the people.

Mr. KELLY. I think the Secretary recognized that, Mr. Chairman, in making reductions. He did not in any sense differentiate between the funds that you had added over the budget request to those funds he had requested.

For example, in this instance you provided funds to start these two vocational rehabilitation centers for training and research. Both of those are being started, but with somewhat delayed dates, in order to effect part of the savings. They are now moving into fullfledged operation, and next year will be at the level that you recommended. But we made part of the savings by deferring the date, but did go ahead with the initiation of the two centers.

Mr. FOGARTY. What projects will not be paid for under this \$1 million cut?

Mr. KELLY. Part of the reduction was the delay in start of these two centers. The remainder will apply against new research and training projects. We can't identify these until the council finishes this week.

Mr. FOGARTY. What projects?

Mr. KELLY. We cannot identify that. The council is meeting this week and will recommend for approval those research and demonstration projects which they believe to have scientific merit and report further on the program; and a certain proportion of them we will not be able to commence because of lack of funds.

Mr. FOGARTY. By the time Miss Switzer gets here we should be able to find out from her what projects will not be funded?

Mr. KELLY. We will know before you finish the hearings. I don't believe we will know at the time she appears.

EFFECT OF REDUCED FUNDS ON VOCATIONAL REHABILITATION

Mr. FOGARTY. How do you think this cut affected the overall program of vocational rehabilitation?

Secretary RIBICOFF. It slowed it up a little bit. I don't think overall it would have too much of an impact.

Mr. FOGARTY. You don't know how many projects which already have been approved for this year cannot be funded because of this cut?

Mr. KELLY. As I understand it, none of the projects that have so far been approved are held up. The council is meeting this week and a certain part of the projects which will be approved will have to be held over until next fiscal year.

Mr. FOGARTY. I know you agree, Mr. Secretary, that this is a real good program.

Secretary RIBICOFF. I think this is a wonderful program. I think Miss Switzer is dedicated. I would like to see this go as fast as it can throughout the Nation. As a matter of fact, the principle that she has adopted, that same principle we are very anxious to adopt in the whole field of welfare. I am enthusiastic.

PROJECTED USE OF INCREASED FUNDS FOR RESEARCH AND TRAINING

Mr. FOGARTY. Your request for 1963 is for \$23,900,000. Suppose we made it an even \$30 million. Do you think you could wisely use that amount of money?

Secretary RIBICOFF. Yesterday I appointed a task force to see what more can be done with vocational rehabilitation.

Out of the 92,500 people who were rehabilitated last year, about 16 percent of these people were on public assistance and on relief of one sort or another. These people are receiving about \$18 million in relief payments. It cost about \$18 million out of this program to rehabilitate them.

I cite this as one of the examples of a constructive approach that we can take by a one-time expenditure to save the recurring yearly expenditures of \$18 million on relief. I am very enthusiastic about the whole rehabilitation program.

Mr. FOGARTY. I think the same story could be told about people who have been rehabilitated who are drawing workmen's compensation, because that helps the carrier and the person building the building, and the individual.

Secretary RIBICOFF. It is one of the most constructive programs in this whole country, Mr. Chairman.

Mr. FOGARTY. Personally I would like to see us spending about \$50 million instead of \$24 million.

BUDGET OF VOCATIONAL REHABILITATION AS PROPOSED TO THE BUDGET BUREAU

Secretary RIBICOFF. I recommended \$31 million to the Budget Bureau, Mr. Chairman.

Mr. FOGARTY. I didn't get around to that yet. Thank you for reminding me. They have cut \$7,300,000 in research and training.

Secretary RIBICOFF. I think that is an area where they really need boosting. As a matter of fact, on this there became quite a controversy within the Budget Committee in the Department. To resolve this point I appointed a special Committee to reconcile the differences. The Committee was made up of Mr. Cohen, and Mr. Newman, my personal assistant.

Mr. FOGARTY. What have you got against vocational rehabilitation?

Mr. COHEN. We recommended the \$31 million, or \$32 million.

Mr. FOGARTY. \$31,200,000 you recommended to the Bureau of the Budget?

Mr. COHEN. Yes. We went over and had very extensive discussions with Miss Switzer about different kinds of projects. Of course we agreed wholeheartedly that there were many projects throughout the country that could be developed in the workmen's compensation field and the welfare field, particularly.

After reviewing the whole problem with Miss Switzer, after she presented her original estimates, we came, with her concurrence, to \$31 million as a realistic figure that we could recommend in the light of what was available and what kind of projects there were in the country.

Mr. FOGARTY. Are you the one who cut her salaries and expenses \$250,000, too?

Mr. COHEN. No. Our group was only studying the research and training projects.

ACTION ON REQUEST FOR SALARIES AND EXPENSES, OVR

Mr. FOGARTY. I see the Department cut her request for salaries and expenses by \$250,000.

Mr. COHEN. The recommendation we made would have been in the neighborhood of \$7 or \$8 million more than what was in the recommendation that is contained herein which, recognizing the need for planning and getting good projects, we felt as much could be done in 1 year.

Mr. FOGARTY. Why did you cut her 1963 request for salaries and expenses?

Secretary RIBICOFF. What we did was to allow her about a 15-percent staff increase, which we felt was about as much as could be absorbed for an orderly growth. I think it provided 43 more positions for administrative and technical services, and allowed 10 positions to establish a small intramural research staff.

Mr. FOGARTY. Don't tell me she is acquiesced in this cut?

Secretary RIBICOFF. I may be wrong, but I had the impression she was rather happy with our recommendation. I don't imagine she is very happy with what the Budget Bureau allowed. But I think she was rather pleased with what we recommended, Mr. Chairman.

Mr. FOGARTY. You cut \$250,000. That is a pretty significant cut on a budget of \$3 million. I am surprised that Miss Switzer is happy with that cut.

ACCIDENT PREVENTION RESERVE

Accident prevention: You asked for \$3,368,000 for 1962 and received \$3,618,000. Then you put \$156,000 in reserve for savings. Now you are asking for \$3,668,000 in 1963, which is more than Congress appropriated in 1962.

I thought accident prevention was high as far as the priority system is concerned. Is that all they are spending—\$3.5 million?

Secretary RIBICOFF. Of course there are research grants that they are making and studies that are being made. I suppose there is a limit of how many studies they can make and the ability of the personnel that you can find at any given moment to make any more.

You might be interested in a list of the various project grants which will indicate to you a very, very extensive research program going on. I think it is a kind of a field that just getting the money won't give you the answers on this, Mr. Chairman. I think they are doing a pretty good job in the various research items.

I would like at this point to insert in the record the types of research projects that are going on in this particular field.

Mr. FOGARTY. I wish you would.

(The information referred to follows:)

ACCIDENT PREVENTION TYPES OF RESEARCH

GRANTS

1. Studies of children showing injury patterns.
2. Automotive crash injury survey.
3. Human behavioral factors in automobile driving safety.
4. Family injury survey.
5. Accidental poisoning as a casefinding procedure.
6. Causes of auto accidents of adolescent drivers.

7. Selected environmental and human factors associated with incidence of farm accidents in Missouri.
8. Field experimental studies on accidental trauma.
9. Skill decrement in continuous driving.
10. Impact attenuation in protection against concussion.
11. Group dynamic study of driver attitudes and driving behavior.
12. Protective materials and athletic injury prevention.
13. Visual signal conspicuity.
14. Driving behavior as affected by alcohol.
15. Simulation of traffic flow on a digital computer.

RESEARCH, TRAINING AND TECHNICAL SERVICES

1. Accident study of preschool children.
2. Accident study of elderly persons.
3. Osteoporosis study (deterioration of the bone structure in connection with falls of the aged).
4. Lead poisoning analysis.
5. Emergency services.
6. Procedures for gun safety.
7. Water recreation studies.
8. Fire prevention.
9. Analysis of falls.

RESERVE FOR CHRONIC DISEASE ACTIVITIES

On the chronic diseases and health of the aged, you asked for \$3,958,000 for 1962 and you received \$3,958,000. Then you asked for a supplemental of \$7,075,000, and you were allowed \$7 million.

After asking for a supplemental and receiving practically all of it last year, you put \$1,193,000 in reserve for savings and you are asking this year for \$22,942,000.

Secretary RIBICOFF. The same answer, Mr. Chairman, I reluctantly say goes for all these items. This is the problem we have and the general directive which we have, and we live with it.

ACTION ON 1963 REQUEST FOR ACCIDENT PREVENTION

Mr. FOGARTY. Let me go back to accident prevention. You cut \$4 million out of an \$11 million request for 1963. That is a real sizable cut. They were cut over 50 percent by you and the Bureau of the Budget.

Secretary RIBICOFF. I think here the Surgeon General felt that the growth in the various programs and the distribution of its resources would warrant only that amount.

Mr. FOGARTY. We have had a subcommittee in Congress for 7 or 8 years now headed by Mr. Roberts, of Alabama, holding hearings on accident prevention and making recommendations. I think he has done a wonderful job.

Secretary RIBICOFF. He surely has.

Mr. FOGARTY. And releasing statistics to the public. I think the people of the country are more accident prevention minded now than they ever have been.

Mr. KELLY. With respect to the Department's recommendations, Mr. Chairman, we arrived at a total on community health, and the Surgeon General gave us the distribution he would make if that were the figure. He provided an increase in the accident prevention field

of almost double that which was available to him in the current year. But this was reduced after it went into the final budget.

Mr. FOGARTY. It was cut almost in half by the Budget.

ACTION ON REQUEST FOR CHRONIC DISEASES, 1963

For the chronic diseases and the health of the aged, they asked you for \$31 million and you gave them \$28 million, and the Budget cut them down another \$6 million, or a total of \$8 million. Last year you had about \$11 million. So here we have a 100-percent increase, and in accident prevention you only provide for a small increase—vocational rehabilitation the same.

Mr. KELLY. There is a large increase in this item, Mr. Chairman, because this is one where the Congress has enacted new legislation. The 1963 budget is the first full year. In 1962 we had a supplemental to initiate that program.

The budget has in it increases of 37 new positions and \$11,254,000 in funds. This will permit us to make additional grants to States and make project grants that relate to the development of out of hospital services.

It may not be as great as the original request, but it is a very significant step up in this program.

ACTION ON 1963 REQUEST FOR COMMUNICABLE DISEASE ACTIVITIES

Mr. FOGARTY. You have cut the communicable diseases activities request over \$2 million, and the Budget further cut it. What was that cut applied to?

Secretary RIBICOFF. The budget provides for an increase to permit expansions, Mr. Chairman, of research in acute respiratory diseases, and the initiation of an expanded program including standards of State and local laboratories. The Department reduction reflects the judgment as to a desirable rate of expansion of community health programs, and the Surgeon General's distribution of total resources. The Bureau of the Budget reduction primarily reflects reduction in the support for the National Laboratory and the Reference Service. They want to go along with a much more gradual rate than we proposed.

Mr. FOGARTY. I find this to be one of our real important public health activities. It is a national program. It is not just a regional program. I have thought since we built the new building down there in connection with Emory University that they could expand their activities to a greater degree than you have allowed them.

RESERVE IN AIR POLLUTION CONTROL FUNDS

You asked for \$8,100,000 for air pollution control. You received \$8,800,000. Then you put \$425,000 in reserve, and now you are asking for \$10,069,000 for 1963.

I thought this was one area where we ought to be really going all out. We have spent a lot of time in hearings in the last 2 years or 3 years trying to get this off the ground. I know your interest, Mr. Secretary, from your speeches about automobile exhaust, and I agree with you 100 percent.

It seems to me the automobile industry has been dragging its feet in this area, that more could be done by private industry, and maybe the Federal Government ought to stimulate it.

I just had one of those blowby devices put on my car last week. They tell me this will eliminate about 30 to 35 percent of the fumes. Until they come up with something to put on exhaust pipes, they are not going to solve this problem.

Secretary RIBICOFF. I would say this. The cooperation of the automobile industry is most welcome. We sat down with them and sort of laid it on the line. They came and did us one better, with which we were delighted. I agree with you, Mr. Chairman, that one of the greatest problems we have is the problem of air pollution. This will be an increasing problem and will not be a decreasing problem.

Mr. FOGARTY. These are the items that I am bringing up because I think they are the more important items in the whole bill. That is why I just can't go along with this cutback that is putting \$425,000 in reserve in a fairly new program. That is a considerable holdup, I would say. Do you think \$10,069,000 is enough for 1963?

Secretary RIBICOFF. That gives us 35 new positions, provides for the continued cost of research grants, and includes \$940,000 for new grant approvals. I would say we would be able to do a fairly good job.

In many of these fields there is a limit to how fast you can go, Mr. Chairman, because we are dealing in new fields where personnel is short. This is one of the problems. We talked about education. You have got a fantastic shortage of technical skills in many of these fields, and we keep on going into new fields and it is hard to find people to do this work.

Mr. FOGARTY. That is why I was hoping we would have sufficient funds to establish an environmental health center in the 1963 budget. If we put it off, we will still have this shortage of personnel. I realize there is a shortage, but many of the people working in this area think they have key personnel over the country who can be hired who will train people. They don't all have to have Ph. D.'s to work in air pollution activities. You have given them a pretty sizable cut. They asked for \$17 million, and you only went along with \$14 million. The Bureau of the Budget practically cut them in half from what they first requested.

ACTION ON 1963 REQUEST FOR VENEREAL DISEASE CONTROL

They asked you for \$8.5 million for the control of venereal diseases, and you cut them back over a million dollars.

Secretary RIBICOFF. I would say this. The study that was released, Mr. Chairman, was released after this was done by the special committee, which indicated a need for about a \$3.5 million increase instead of \$1 million. Personally, I would go along with the recommendation of the special committee. I think this is one of the greatest problems we have in this country. We should do everything we can to eradicate it.

Mr. FOGARTY. How much do you think we should add to this \$7 million?

Mr. KELLY. The committee recommendation was for an increased rate of \$3.5 million annually. As to whether or not you would need that much to launch the program in the first year, I don't have a firm figure as yet, Mr. Chairman.

If it would cost \$3.5 million each year, it would probably cost something less than that in the first year.

Mr. FOGARTY. How would that affect this \$7 million figure?

Mr. KELLY. The \$7 million has \$1 million in it for this program against their \$3.5 million.

Mr. FOGARTY. It would take \$9.5 million to bring it up to the recommendations of this committee?

Mr. KELLY. Yes, except that I don't believe you could launch that much in the first year of the operation. You would have to go somewhere between the level of \$3.5 million and the amount needed to launch it in the first year.

Mr. FOGARTY. Do you have any idea what the Department of Agriculture is spending to eradicate brucellosis in cattle?

Mr. KELLY. No, sir; I do not.

Mr. FOGARTY. Would you look that up and supply it for the record.

Mr. KELLY. Yes, sir.

(The requested information follows:)

Amount of money the Department of Agriculture is requesting for the eradication of brucellosis (undulant fever) in cattle

1961-----	\$19,418,575	1962-----	\$19,828,500	1963-----	\$19,892,500
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REQUEST FOR DENTAL SERVICES, 1963

Mr. FOGARTY. "Dental services and resources" is a fairly new program. It was first set out as a separate appropriation this year.

I thought Dr. Galagan did a real good job last year in justifying this appropriation. I don't assume he was happy when you cut him back from \$5,200,000 to \$2,900,000. He only got about half of what he asked for.

Is Dr. Galagan still in charge of this?

Mr. KELLY. Yes, sir.

Mr. FOGARTY. Do you think he is happy with this \$2.9 million. He won't be able to even scratch the surface.

NURSING SERVICES AND RESOURCES

Going down the table, here is one that fared pretty well, "Nursing services and resources." They got almost what they asked for.

HISTORY OF 1963 BUDGET REQUESTS

We will put this table on the history of the 1963 budget requests, that I have been referring to, in the record and then recess until 1:30.

(The table referred to follows:)

History of 1963 budget request

Agency and appropriation		1963 estimate to Department	1963 Depart- ment estimate to Bureau of the Budget	1963 President's budget	Difference col. (b) minus col. (d)	Difference col. (c) + or - col. (d)
(a)		(b)	(c)	(d)	(e)	(f)
FOOD AND DRUG ADMINISTRATION						
Salaries and expenses.....		1 \$94,873,000	1 \$31,714,000	\$28,400,000	-\$6,473,000	-\$3,314,000
Certification, inspection, and other services.....		1,882,000	1,882,000	1,882,000	-----	-----
Total, Food and Drug Administration.....		1 36,755,000	1 33,596,000	30,282,000	-\$6,473,000	-\$3,314,000
OFFICE OF EDUCATION						
Promotion and further development of vocational education.....		34,672,000	34,672,000	34,672,000	-----	-----
Further endowment of colleges of agriculture and the mechanic arts.....		11,950,000	11,950,000	11,950,000	-----	-----
Grants for library services.....		7,500,000	7,500,000	7,500,000	-----	-----
Payments to school districts.....		282,322,000	282,293,000	232,293,000	-\$50,029,000	-----
Assistance for school construction.....		63,686,000	55,070,500	55,045,000	-\$8,641,000	-----
Defense educational activities.....		229,450,000	229,450,000	229,450,000	-----	-----
Expansion of teaching in education of the mentally retarded.....		1,000,000	1,000,000	1,000,000	-----	-----
Expansion of teaching in education of the deaf.....		1,500,000	1,500,000	1,500,000	-----	-----
Cooperative research.....		7,540,000	7,215,000	2 11,000,000	+\$3,460,000	-----
Salaries and expenses.....		15,067,000	13,842,000	12,741,000	-\$2,326,000	-----
Salaries and expenses (special foreign currency program).....		1,261,800	1,261,800	1,400,000	-\$861,800	-----
Permanent authorizations:						
Colleges for agriculture and the mechanic arts.....		2,550,000	2,550,000	2,550,000	-----	-----
Promotion of vocational education.....		7,161,455	7,161,455	7,161,455	-----	-----
Total, Office of Education.....		665,660,255	605,465,755	607,262,455	-\$58,397,800	+\$1,796,700
OFFICE OF VOCATIONAL REHABILITATION						
Grants to States:						
Allotment base.....		(110,000,000)	(110,000,000)	(110,000,000)	-----	-----
Appropriation.....		74,200,000	73,000,000	72,940,000	-\$1,260,000	-----
Research and training.....		32,650,000	31,200,000	23,900,000	-\$8,750,000	-----
Research and training (special foreign currency program).....		5,460,000	4,035,000	2,000,000	-\$3,460,000	-----
Salaries and expenses.....		3,073,000	2,830,000	2,486,000	-\$587,000	-----
Total, Office of Vocational Rehabilitation.....		115,383,000	111,065,000	101,326,000	-\$14,057,000	-----
PUBLIC HEALTH SERVICE						
Buildings and facilities.....		110,561,800	54,826,000	27,000,000	-\$83,561,800	-----
Accident prevention.....		11,734,000	27,150,000	3,668,000	-\$8,000,000	-----
Chronic diseases and health of the aged.....		31,445,000	28,200,000	22,942,000	-\$8,503,000	-----

Communicable disease activities.....	13,674,000	11,500,000	10,062,000	-3,612,000	-1,438,000
Community health practice and research.....	32,098,000	27,500,000	25,776,000	-6,322,000	-1,724,000
Control of tuberculosis.....	9,337,000	6,508,000	7,403,000	-2,841,000	-1,403,000
Control of venereal diseases.....	8,515,000	7,415,000	7,000,000	-1,515,000	-415,000
Dental services and resources.....	5,246,000	2,900,000	2,506,000	-2,740,000	-394,000
Hospital construction activities.....	8,780,000	8,670,000	8,438,000	-3,342,000	-232,000
Air pollution.....	227,396,000	227,200,000	176,220,000	-6,176,000	-50,980,000
Milk, food, interstate, and community sanitation.....	17,692,000	13,914,000	10,069,000	-7,623,000	-3,845,000
Occupational health.....	13,810,000	9,317,000	7,562,000	-6,308,000	-1,815,000
Radiological health.....	6,550,000	5,100,000	4,022,000	-2,528,000	-1,078,000
Water supply and water pollution control.....	36,355,000	36,830,000	15,875,000	-10,510,000	-955,000
Grants for waste treatment works construction.....	38,076,000	30,776,000	23,697,000	-14,469,000	-7,169,000
Hospitals and medical care.....	90,000,000	90,000,000	90,000,000	-----	-----
Foreign quarantine activities.....	54,584,000	53,645,000	50,259,000	-4,325,000	-3,386,000
National Institutes of Health operating accounts:	6,665,200	6,142,000	4,292,000	-2,373,200	-1,850,000
General research and services.....	161,851,000	150,300,000	147,826,000	-14,025,000	-2,474,000
National Cancer Institute.....	158,901,000	155,700,000	139,109,000	-19,792,000	-16,591,000
National health activities.....	138,652,000	135,800,000	126,899,000	-11,753,000	-8,901,000
National Heart Institute.....	155,712,000	148,000,000	126,898,000	-28,814,000	-21,102,000
National Institute of Dental Research.....	20,017,000	19,700,000	17,199,000	-2,818,000	-2,501,000
Arthritis and metabolic disease activities.....	103,701,000	101,500,000	91,921,000	-11,840,000	-9,639,000
Allergy and infectious disease activities.....	64,202,000	64,155,000	59,342,000	-4,920,000	-4,813,000
Neurology and blindness activities.....	82,158,000	79,785,000	71,206,000	-10,952,000	-8,579,000
Total, National Institutes of Health operating accounts.....	(885,314,000)	(855,000,000)	(780,400,000)	(-104,914,000)	(-74,600,000)
Grants for construction of health research facilities.....	50,000,000	50,000,000	50,000,000	-----	-----
Scientific activities overseas.....	5,185,000	4,498,000	2,800,000	-2,335,000	-1,698,000
National health statistics.....	5,622,000	5,410,000	5,250,000	-372,000	-160,000
National Library of Medicine.....	4,204,000	3,368,000	3,335,000	-869,000	-33,000
Salaries and expenses, Office of the Surgeon General.....	6,474,000	6,251,000	5,850,000	-624,000	-401,000
Total, definite appropriations.....	1,609,358,000	1,552,120,000	1,343,366,000	-325,972,000	-188,754,000
Retired pay of commissioned officers (indefinite).....	2,696,000	2,671,000	2,671,000	-25,000	-----
Total, Public Health Service.....	1,672,034,000	1,534,791,000	1,346,037,000	-325,997,000	-188,754,000
ST. ELIZABETH'S HOSPITAL :	-----	-----	-----	-----	-----
Salaries and expenses:	-----	-----	-----	-----	-----
Direct appropriation.....	6,332,000	25,495,000	5,974,000	-358,000	-19,521,000
Reimbursement.....	(21,047,000)	(19,129,000)	(18,296,000)	(-2,751,000)	6 (-833,000)
Total.....	(27,379,000)	(25,495,000)	(24,270,000)	(-3,109,000)	(-1,225,000)
Buildings and facilities.....	9,210,000	9,185,000	8,095,000	-1,115,000	-1,090,000
Total program, St. Elizabeths.....	(36,569,000)	(34,630,000)	(32,365,000)	(-4,224,000)	(-2,315,000)

See footnotes at end of table.

Agency and appropriation	1963 estimate to Department	1963 Department estimate to Bureau of the Budget	1963 President's budget	Difference col. (b) minus col. (d)	Difference col. (c) + or - col. (d)
(a)	(b)	(c)	(d)	(e)	(f)
SOCIAL SECURITY ADMINISTRATION					
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance (trust funds).....	7 (\$290,000,550)	7 (\$290,000,550)	8 (\$285,400,000)	(-\$4,600,550)	(-\$4,600,550)
Payments for military service credits.....	78,600,000	78,600,000	78,600,000	-----	-----
Grants to States for public assistance.....	2,688,300,000	2,688,300,000	2,688,300,000	-----	-----
Grants to States for training of public welfare personnel.....	3,500,000	3,500,000	3,500,000	-----	-----
Assistance for repatriated U.S. nationals.....	875,000	875,000	875,000	-----	-----
Salaries and expenses, Bureau of Family Services.....	4,471,000	4,361,000	4,095,000	-375,000	-285,000
Grants for maternal and child welfare.....	76,050,000	76,050,000	76,750,000	+700,000	+700,000
Salaries and expenses, Children's Bureau.....	3,099,000	3,099,000	2,853,000	-246,000	-246,000
Cooperative research or demonstration projects in social security.....	1,220,000	1,200,000	2 1,900,000	+680,000	+700,000
International Social Security Association meeting.....	100,000	100,000	100,000	-----	-----
Research and training (special foreign currency program).....	3,159,000	3,159,000	1,800,000	-1,359,000	-1,359,000
Salaries and expenses, Office of Commissioner:.....	827,000	827,000	711,000	-116,000	-116,000
Trust funds.....	(458,000)	(458,000)	(418,000)	(-40,000)	(-40,000)
Total, Social Security Administration:	2,860,201,000	2,860,071,000	2,859,485,000	-716,000	-586,000
General funds.....	(290,458,550)	(290,458,550)	(285,818,000)	(-4,640,550)	(-4,640,550)
Trust funds.....	-----	-----	-----	-----	-----
SPECIAL INSTITUTIONS					
American Printing House for the Blind: Education of the blind.....	752,000	752,000	718,000	-34,000	-34,000
Freedmen's Hospital:	-----	-----	-----	-----	-----
Appropriation.....	4,727,000	4,142,000	3,909,000	-818,000	-233,000
Reimbursements.....	(2,389,000)	(2,303,000)	(2,420,000)	(+31,000)	(+117,000)
Total program.....	(7,116,000)	(6,445,000)	(6,329,000)	(-787,000)	(-116,000)
Gallaudet College:	-----	-----	-----	-----	-----
Salaries and expenses.....	1,499,000	1,491,000	1,410,000	-89,000	-81,000
Construction.....	1,095,000	1,155,000	355,000	-740,000	-800,000
Total, Gallaudet College.....	2,594,000	2,646,000	1,765,000	-829,000	-881,000
Howard University:	-----	-----	-----	-----	-----
Salaries and expenses.....	7,956,000	7,756,000	7,492,000	-464,000	-264,000
Plans and specifications.....	210,000	226,000	56,000	-130,000	-140,000

Construction of buildings.....	5, 955, 500	5, 531, 000	5, 531, 000	-424, 500	-----
Total, Howard University.....	14, 127, 500	13, 513, 000	13, 109, 000	-1, 018, 500	-404, 000
Total, special institutions.....	22, 200, 500	21, 053, 000	19, 501, 000	-2, 699, 500	-1, 552, 000
OFFICE OF THE SECRETARY					
Salaries and expenses, Office of the Secretary.....	3, 780, 000	3, 407, 000	3, 058, 000	-722, 000	-409, 000
OASI transfers.....	(496, 000)	(463, 000)	(412, 000)	(-84, 000)	(-51, 000)
Salaries and expenses, Office of Field Administration.....	4, 208, 000	3, 795, 000	3, 565, 000	-643, 000	-230, 000
OFA transfers.....	(1, 536, 000)	(1, 517, 000)	(1, 495, 000)	(-41, 000)	(-22, 000)
Surplus property utilization.....	1, 031, 000	1, 013, 000	870, 000	-161, 000	-143, 000
Salaries and expenses, Office of the General Counsel.....	927, 000	930, 000	866, 000	-71, 000	-74, 000
General Counsel transfers.....	(737, 000)	(737, 000)	(725, 000)	(-12, 000)	(-12, 000)
Juvenile delinquency and youth offenses.....	10, 000, 000	10, 000, 000	8, 500, 000	-1, 500, 000	-1, 500, 000
Total, Office of the Secretary.....	19, 946, 000	19, 205, 000	16, 849, 000	-3, 097, 000	-2, 356, 000
Transfers.....	(2, 769, 000)	(2, 717, 000)	(2, 632, 000)	(-85, 000)	(-85, 000)
Grand total, DHEW.....	5, 407, 721, 755	5, 219, 926, 755	4, 994, 811, 455	-412, 910, 300	-225, 115, 300

¹ Excludes estimates for a budget amendment for radiological health activities now pending at the Bureau of the Budget.

² President's budget includes funds for "full funding," or subsequent year costs, of projects begun in fiscal year 1963 and prior years. Agency and Department estimates not comparable since these provided only for 1st year costs of new projects and continuation costs of projects begun in prior years.

³ There is pending at the Bureau of the Budget a proposed budget amendment for the Department's radiological health programs.

⁴ President's budget provides for crediting fees to the foreign quarantine activities appropriation collected by the State Department for medical examinations of visa applicants by Public Health Service physicians.

⁵ Col. (b) revised for comparability to include final congressional action for 1962 and wage board increases which increased original 1963 estimates.

⁶ Department requested appropriation of total program with reimbursements to be credited to miscellaneous receipts of the Treasury. The Bureau of the Budget allowance retained the present method of funding the St. Elizabeths Hospital. Actual difference in program level support is \$1,225,000, as shown.

⁷ Includes \$276,191,000 basic appropriation and \$13,809,550 (5 percent of the basic appropriation) as a contingency reserve.

⁸ Includes \$270,400,000 basic appropriation and a straight \$15,000,000 (rather than a percentage of the basic appropriation) as a contingency reserve.

AFTERNOON SESSION

Mr. FOGARTY. Mr. Secretary, our lunch hour was not very long, I admit.

Secretary RIBICOFF. That is all right. They are very long days for all of us.

ACTION ON 1963 REQUEST FOR HOSPITAL CONSTRUCTION

Mr. FOGARTY. You approved practically all that was requested for hospital construction activities, but the Bureau of the Budget gave that a severe jolt, did they not? They cut your request \$51 million. But you approved just about what they asked for.

Secretary RIBICOFF. Just about what they asked for, yes.

The Budget Bureau feels strongly, Mr. Chairman, that there is a change in the basic need of hospital care generally. It is their philosophy that there probably is not such a backlog, or decreasing backlog, of general beds in hospitals, and that we ought to be looking at an increase in rehabilitation facilities, treatment centers, nursing homes, because of the changing emphasis.

Mr. FOGARTY. I haven't seen current figures. I am sure there is a tremendous backlog in general hospital beds.

Mr. COHEN. The general argument is that the backlog is now accumulating more in the urban, metropolitan, and suburban areas than it has the rural areas, and there has been a lot of concern about re-examining the present provisions of the Hill-Burton Act to see if more of it should not go into the urban areas.

Mr. FOGARTY. I think you are right. I think the urban areas have been neglected in this area. I think we should have allowed more funds for renovation and replacement of existing hospitals in the urban areas.

ACTION ON 1963 REQUEST FOR RADIOLOGICAL HEALTH

Now, in Radiological Health, they ask you for \$26 million and you cut them \$10 million. That is explained in the footnote regarding the budget amendment that is pending before the Bureau of the Budget.

Secretary RIBICOFF. That is right.

Mr. FOGARTY. Is that the reason for cutting them back \$10 million?

Secretary RIBICOFF. That is right. We would expect that there would be a substantial program after the review was made, Mr. Chairman.

Mr. FOGARTY. Have you any idea how much money they will be coming back for?

Mr. KELLY. It is approximately \$11 million.

ACTION ON 1963 REQUEST FOR WATER SUPPLY AND POLLUTION CONTROL

Mr. FOGARTY. Water supply and water pollution control. What is the reason for this cut? That is a pretty severe cut, \$14.5 million out of a \$38 million request.

Secretary RIBICOFF. Here, Mr. Chairman, we feel the rate of expansion is a little too great, and, therefore, feel it should be slowed down.

Mr. FOGARTY. I was under the impression this was one of the biggest problems we have to face in the country.

Mr. KELLY. I do not think we really disagree with this, Mr. Chairman. It is just a matter of rate. Let me give you these figures.

We are increasing the waste treatment grants from \$50 million up to \$90 million in 1963, and the water pollution control activities of research grants, training, technical assistance and State grants is going up from \$11,960,000 in 1961 to \$18,900,000 in 1962, and \$23 million in 1963.

So that it is more than doubled in the 2-year period.

Mr. FOGARTY. \$18 million to \$23 million is a very small increase in a program as important as this.

RESERVE IN WATER POLLUTION CONTROL, 1962

Mr. KELLY. You see, the big increase occurred in 1962 because of the enactment of the new legislation.

Mr. FOGARTY. All right, let's talk about 1962.

You asked for \$15,028,000, and we gave you every dime you asked for in 1962. Then you came up and asked for a supplemental of \$5,600,000, and you received \$5,300,000. But then after you received the supplemental, you put \$1,337,000 in reserve for savings. And now you are asking \$23,607,000 for 1963.

I would think you could spend more than that just on the problems of water supply that are going to face the country in the next 10 years.

Are you having any problems recruiting personnel?

Mr. KELLY. I am not sure that there is a specific problem. There is a problem of space, pending the provision of new facilities, but we are temporarily making arrangements for space to accommodate them until we have our facilities ready.

1962 RESERVE FOR JUVENILE DELINQUENCY ACTIVITIES

Mr. FOGARTY. For juvenile delinquency and youth offenses, you asked for \$8,200,000 in a supplementary request last year that was submitted to Congress on September 18.

Mr. KELLY. It was in the last supplemental request.

Mr. COHEN. That is right.

Secretary RIBICOFF. It was very late in passing.

Mr. COHEN. That is right. It went over to the Senate.

Mr. FOGARTY. You received \$8,200,000. And then you put \$1,754,000 in reserve for savings. Now you are asking for \$8,500,000 for 1963.

That is the authorization, is it not, or was it \$10 million?

Mr. COHEN. The authorization is \$10 million. I think the amount for this coming year, 1963, is really more important because we did have difficulty in getting started, and we will use the money that we did get to stretch out in more planning grants, and actually in more of the demonstration grants.

I do not think there will be any adverse effect. We will make as many starts; we will help the communities plan the projects during this year, and then fund the actual projects next year.

Mr. FOGARTY. Does that mean you asked more than you needed last year?

Mr. COHEN. Well, I think we were not aware that the communities were not as far advanced in their planning.

Secretary RIBICOFF. They were not ready to take them. Many people came up, and we found they were not as prepared as we thought they were and as they thought they were. We do have our staff working very closely with them.

REDUCTION IN 1963 REQUEST FOR JUVENILE DELINQUENCY

Mr. FOGARTY. I know it is a new program, but why did you cut their request back \$1.5 million?

Mr. KELLY. The Budget Bureau effected this reduction, and it is primarily in the field of training.

Mr. FOGARTY. I am wrong. You agreed with their request for 1963.

Mr. COHEN. Yes.

Secretary RIBICOFF. Yes.

Mr. FOGARTY. And it was the Bureau of the Budget that cut them back \$1.5 million.

Mr. KELLY. That is right.

Mr. FOGARTY. What reason did they give?

Mr. KELLY. It was primarily in the field of training, and it was their feeling we needed the experience in these demonstration grants and training grants to find new ways of combatting juvenile delinquency and youth crimes.

Mr. FOGARTY. There is hardly any increase in training in the overall 1963 budget.

Mr. KELLY. Well, there is in selected areas.

THE 1962 RESERVES FOR NATIONAL INSTITUTES OF HEALTH

Mr. FOGARTY. Now, the Institutes of Health.

They asked for \$583 million last year and they received \$738 million. The amount that you have put in reserve for forced savings is \$44,577,000. And now you come back in 1963 and ask for \$780 million, which is \$42 million more than Congress voted for 1962. And then you have \$44 million in reserve.

Mr. KELLY. \$44 million was the forced reduction, Mr. Chairman. The actual, the nonutilization, is about \$60 million.

Mr. FOGARTY. Is there any question in your mind but what this \$44.5 million could have been wisely expended?

Secretary RIBICOFF. I guess it could have been expended, Mr. Chairman. The question is with respect to grants. The top priority project will be financed but lower priority projects will be held back. The feeling was, these were not matters of such urgency that there was any basic loss to research, although I must confess it is always difficult to know.

Mr. FOGARTY. Yes.

Secretary RIBICOFF. Something worth a No. 5 priority could very well turn out to be much more important than a No. 1 priority.

Mr. FOGARTY. The information I have is that they could spend more than this \$44 million on scientifically approved projects, those approved by the advisory committees.

Mr. KELLY. In terms of the regular research grant projects, it is estimated that about \$18 million of projects will be approved, that we will not be able to fund this year.

Now, this is in the regularly approved research projects. The remainder of the reduction will effect such things as the categorical clinical centers and the initiation of training programs.

TRAINING

Mr. FOGARTY. How much of an increase in training did Congress approve for 1962?

Mr. KELLY. The 1962 operating program in training and fellowships is \$135,700,000. And that compares with \$129,700,000 that was available in 1961.

In the training area there was a reduction of \$8,750,000 below that which the Congress made available.

Mr. FOGARTY. In other words, you cut training by \$8 million, is that right, in 1962?

Mr. KELLY. That is right, Mr. Chairman.

Mr. FOGARTY. Congress kept the training program pretty much at the level that was requested.

Mr. KELLY. No; they went above the level that was requested.

Mr. FOGARTY. I was thinking of the House; the Senate increased it.

Mr. KELLY. And the program still provides for an increase of about \$12 million.

I might add, Mr. Chairman, that the way we handled the National Institutes of Health in the overall economy program, was, we arrived at an amount that was equal with the treatment that we afforded all other increases, and the Surgeon General and the Director of the National Institutes of Health determined the best way of effecting that reduction among the institutes and activities. Dr. Shannon and Dr. Terry will be best able to explain to you the distribution of the reduction.

Mr. FOGARTY. How much increase in training are you allowing in the budget for 1963?

Mr. KELLY. About \$10 million.

Mr. FOGARTY. Where is that going to be used?

Mr. KELLY. All in the mental health field.

Mr. FOGARTY. All in the mental health field; nothing for anything else?

Mr. KELLY. That is correct.

Mr. FOGARTY. I think mental health needs it, but I think cancer, heart, neurology and blindness, and arthritis needs more training grants, too. Do you not? Do you not think they could profitably use more money in that area?

Mr. KELLY. I think, in essence, the administration has placed the emphasis this year in the medical manpower field, at the medical school level, with legislation designed to afford both scholarships and an increase in the facilities, in order to expand the output of doctors and dentists. Because at the present time what we are doing in all of our training programs is competing for limited resources, between academic, research and service personnel.

The emphasis in this budget is to increase the output at the basic level in the medical schools.

Mr. FOGARTY. Well, you are not going to make much of a showing in this budget we have before us as far as training is concerned if you only allow the Mental Health Institute to have an increase.

EFFECT OF RESERVES ON TRAINING

How many people would be trained in 1962 under the congressional authorization?

Mr. KELLY. I would have to provide that to you, Mr. Chairman.

Mr. FOGARTY. How many of these people will not be trained because of your reserves?

Mr. KELLY. I would have to supply that, Mr. Chairman.

Mr. FOGARTY. Do you think you can give us any idea?

Mr. KELLY. No, sir; I do not.

(The following answer was subsequently supplied:)

The 1962 congressional authorization for the program of the National Institutes of Health would have provided for the training of 13,274 individuals under training grants and the award of 3,704 fellowships. Under the 1962 economy reductions, the number of individuals whose training would be supported was decreased by 550 and 543, respectively.

COMPARISON OF 1962 AND 1963 BUDGET POLICIES

Mr. FOGARTY. This is a real puzzle to me, Mr. Secretary. Here you are recommending increased appropriations under existing legislation, and also recommending new legislation to further increase authorizations for appropriations in the very areas where you are refusing to spend the money you have available this year.

Secretary RIBICOFF. All I can say is I understand your puzzlement and I hope you will appreciate my dilemma; but, again, I can only give you a philosophical argument and a practical argument. One year we did not have the money and we would have liked to have done it, and we could not; this year we have got the money and we think we can go through and do what we would like to do.

This applies to this and any other parts of the program. Yet I can understand your puzzlement and I sympathize with it.

Mr. LAIRD. You are talking as if you have the money now.

Secretary RIBICOFF. Well, we anticipate—well, as far as I am concerned, Mr. Laird, I have to take what the Budget Bureau and the President says we will have. And he has his figures. I do not go beyond the figures. I do not have a separate staff on the Appropriations Committee that comes up with a different set of figures. I take the President's figures.

POWER OF THE DEPARTMENT TO FREE RESERVES

Mr. FOGARTY. But, of course, you could release any of these funds any time you want to?

Secretary RIBICOFF. I could not, Mr. Chairman, because, after all, this is being done under Presidential authorization and what I consider to be a Presidential directive, and I would not do this on my own.

Mr. FOGARTY. It seems to me in the other agencies they went about it a different way than you did. The last I knew, the Bureau of the Budget had not approved this.

Secretary RIBICOFF. Had not approved what?

Mr. FOGARTY. These reserves. It looks to me like they just washed their hands of it and said, "It is up to you."

Secretary RIBICOFF. Well, that comes as a surprise to me, Mr. Chairman.

Mr. KELLY. They did not approve them in the official apportionment process, but the President approved the list of funds placed in administrative reserves, Mr. Chairman.

Secretary RIBICOFF. This was done all around. This had the approval of the Budget Bureau, myself, and the President. And I do not understand that we have any discretion in this.

Mr. FOGARTY. These were put in an administrative reserve, and not a budget reserve set up by the Bureau of the Budget. As I understand it, the Secretary could release any or all of these moneys in the administrative reserve.

Secretary RIBICOFF. My understanding is that I could not do so without getting the specific approval on any item of the Budget Bureau. That is my understanding.

Mr. FOGARTY. Well, what is there in writing from the President or the Bureau of the Budget that restricts you from releasing any of these funds or—

Secretary RIBICOFF. There is nothing in writing but I would say there is certainly a definite understanding. And to me, its is just as binding as if it were in writing. Now, this is my understanding.

Mr. FOGARTY. Generally, do they not put something in writing when we have such a change in policy?

Mr. KELLY. The President did put the statement in writing that he made to the Cabinet.

Secretary RIBICOFF. The general statement.

Mr. KELLY. In which he requested that this be done. But it was an informal set of communications that arrived at the amounts and the distribution of them. But these were specifically shown to the President by the Director of the Budget Bureau and approved by him, of course.

Mr. FOGARTY. But there was nothing specific in writing from the President or the Bureau of the Budget?

Mr. KELLY. By item or amount; no, sir.

EFFECT OF ADMINISTRATIVE RESERVE ON 1963 BUDGET BUREAU ALLOWANCES

However, the President's budget for 1963, in computing the allowances and the estimates of expenditure, gives full account to these savings; as a matter of fact, precisely take into account the amounts that we have discussed up to this point.

Mr. FOGARTY. When was that decision made?

Mr. KELLY. To reflect these in the budget?

Mr. FOGARTY. Yes.

Mr. KELLY. In October and November, when we were putting the final figures together. I guess, actually, the decision was not made until the middle or the latter part of December, as to precisely what would be printed in the President's budget.

But the concept that these reserves would be taken into account in the Budget was determined in the latter part of October or early in November.

Mr. FOGARTY. When did the President's budget go to print?

Mr. KELLY. The President's budget did not go to print until after Christmas. We did not have final decisions on the 1963 budget until after Christmas.

Mr. FOGARTY. I asked the Department of Labor this similar question. I said—

Why are these reserves reflected in the budget document but not in your justifications?

Mr. HUDSON. I can answer that.

Mr. FOGARTY. This is getting us all mixed up.

Mr. HUDSON. I got a call on December 26 and was told by the Bureau of the Budget they wanted to reflect the reserves in this budget document. Up to that time, they had told me the reserves need not be reflected. Our budget to the committee had been processed to such a point that it could not stop. We had a deadline in getting out budgets for the committee.

Mr. KELLY. Mr. Chairman, so far as we were concerned—

Mr. FOGARTY. So it seems to me there is something about this that the Bureau of the Budget is handling you a little different than they are the Department of Labor.

Mr. KELLY. There may have been a failure of communications here, because, actually, we and the Department of Labor appear before the same Division in the Bureau of the Budget.

There was no question in my mind that they would be reflected in the budget. As I said earlier, we were unable to reflect them in the budget document that was due in September and was received by them very shortly thereafter. So that our budget, as we presented it to the Budget Bureau, did not include any of these administrative reserves.

But it was made clear to us that, in their decisions on the budget, that they would take into account these administrative reserves and their effect on the 1963 budget.

And as a matter of fact, we did some work in trying to figure out just how they would be reflected in the budget before we received final allowances. And our justifications to the committee do in every instance reflect the reserves.

Mr. FOGARTY. So there is a difference between you and the Department of Labor?

Mr. KELLY. Yes, sir. They may have been processed somewhat earlier than we were in the Budget Bureau. We typically are the last department to be heard by the Director of the Budget Bureau, by his staff, and submit the estimates to the President. So that it may be that they were actually processed before that decision was made.

They had to start their justification somewhat earlier than we did, because they were scheduled to be heard before us.

PROPOSED LEGISLATION REFLECTED IN 1963 BUDGET

Mr. FOGARTY. Mr. Secretary, are there any items of proposed new legislation that HEW is sponsoring for which the estimated cost is not reflected in the budget?

Mr. KELLY. There is about \$27 million, I believe, in legislative items that will be presented or supported by the administration where the value of the item, the individual item, is less than \$10 million.

It is a policy of the Budget Bureau in putting the budget together to reflect as individual line items only those legislative proposals which have a cost of \$10 million or more. And the others are treated as a provision for contingencies in the total budget.

And we have items, if I recall correctly, that add up to \$27 million, which are made up of items that have an individual value of less than \$10 million and are thus not reflected as individual line items but treated under the reserve for contingencies.

Secretary RIBICOFF. Mr. Chairman, these items include establishment of the National Institute of Child Health and Human Development, grants and contracts for research for Maternal and Child Health and Crippled Children Services, additional Assistant Secretaries, polio and other vaccination assistance, reduction of adult illiteracy. Those are about the items that add up to the \$27 million.

PROPOSED VACCINATION PROGRAM

Mr. FOGARTY. The President said in his state of the Union message:

I am proposing a mass immunization program aimed at the virtual elimination of such ancient enemies as polio, diphtheria, tetanus.

How is such a program going to be carried out?

Secretary RIBICOFF. That is really meant to be children under 5 years of age, Mr. Chairman. I think it could have been worded better.

Mr. FOGARTY. How do you apply such a mass immunization program?

Secretary RIBICOFF. Well, the cost of the necessary vaccine will be supplied by us to various State and local health agencies. We will supply funds for salaries and related expenses of additional State and local health personnel needed to promote and organize.

We would supply this material, and the public health groups would organize and get together on a local basis the public and private health sources to do the immunization.

Mr. KELLY. You recall we carried out a program shortly after the Salk vaccine was developed, where we made the funds for vaccine available to the States and they went down to their local public health units; in some cases doctors got together and set up the clinics where people could come to, and other places. They did it in the schools. In other instances, they did it right at the local public health offices.

Mr. FOGARTY. I do not think this was made very plain by the President, because I received complaints from doctors that the Federal Government was going to come in and just take over and vaccinate everybody.

Mr. COHEN. No.

Secretary RIBICOFF. No.

Mr. COHEN. Our proposed legislation, Mr. Chairman, provides, as the Secretary says, for grants to the States to enable them to do this.

A better word would have been—which we are using in our legislation—intensive community vaccination program.

The idea behind it is if you find you can do it and eradicate the disease intensively all over the community at once, so it will not cross State boundaries.

Mr. FOGARTY. I think the President made a real good state of the Union message, but I do not know that your budget reflects what he told us. That is a pretty strong message. But I do not think your budget reflects his feelings as far as added emphasis on water supply and water pollution control, and continued aid to hospitals is concerned.

I would think that the Bureau of the Budget would have paid some attention to the wishes of the President in his hospital program, but they cut that back \$50 million.

Then juvenile delinquency, another point that he made and I think made very well; but the budget for that program is still \$1.5 million less than the authorization for 1963 and you have put funds in reserve in 1962.

"New tools to fight air pollution"—well, that sounds good, but the budget does not reflect—

Mr. KELLY. Well, there was a legislative proposal, Mr. Chairman.

Mr. COHEN. There we will have a new legislative proposal, Mr. Chairman. There is a bill that passed the Senate, and we will propose a substitute piece of legislation.

ASSISTANCE TO PUBLIC SCHOOLS

Mr. FOGARTY. The proposal for assistance to public, elementary, and secondary schools has been changed some. How much will that cost?

Secretary RIBICOFF. The total estimated expenditure, 1963, is \$90 million, with new obligation authority of \$600 million.

However, proposed amendments to Public Laws 815 and 874 would reduce the estimated expenditures in 1963 by \$36 million and new obligation authority by \$58.2 million.

FEDERAL AID TO SCHOOLS IN IMPACTED AREAS

Mr. FOGARTY. Now, on Public Laws 815 and 874, what are you doing about sending up a supplemental request for 1962 to comply with the law?

Mr. KELLY. That is not proposed, Mr. Chairman.

Mr. FOGARTY. Why not?

Mr. KELLY. Well, the President's legislation proposes a decrease in the entitlement. And he is holding both 1962 and 1963 to the level that Congress determined for 1962 in his budget proposal.

Mr. FOGARTY. The law has not been changed.

Mr. KELLY. No, sir. The law would authorize a larger appropriation.

Mr. FOGARTY. You do not expect the law to be changed for 1962, I am sure. You know what happened to these proposals last year.

Mr. KELLY. Yes, sir.

Mr. FOGARTY. This has been going on for 12 years, to my knowledge.

Mr. KELLY. All I am saying is that the law authorizes larger appropriation. It provides a method of distributing the available funds if they are less than the full authorization.

Mr. FOGARTY. How much are you short, in 815 and 874, of meeting 100 percent of what they are entitled to under the law?

Mr. KELLY. Under Public Law 874, it would take \$15,707,000 in order to provide sufficient funds to meet the full entitlement under the law in 1962.

In 1963 it would require \$50,029,000 more than the funds recommended by the President.

Under Public Law 815, it is estimated that it would require \$7,092,000 more than the funds the Congress has appropriated for 1962.

It is further estimated that it would require \$8,641,000 to finance all of the approvable projects in 1963 over and above the funds that the President has recommended.

Mr. FOGARTY. Under present law?

Mr. KELLY. Under present law.

And this would, in total, be for the two laws, an increase of \$22,799,000 in 1962 over and above the funds already appropriated; and in 1963, \$58,670,000 over the funds recommended in the President's budget.

Mr. FOGARTY. And you are not going to do anything about seeing to it that these communities get what the law calls for in 1962?

Mr. KELLY. It is not proposed to submit any request for supplemental funds; no, sir.

Mr. FOGARTY. So, in effect, you are trying to change the legislation by refusing to come up with a supplemental appropriation request for Public Laws 815 and 874? That is my interpretation.

Mr. KELLY. I do not look at it quite that way. We are not proposing appropriations that would meet the full authorization in the law, and are proposing to distribute the lesser amount of appropriations in the manner that the law provides in the event appropriations are less than the full authorization.

Mr. FOGARTY. Did we not have a record vote on this in Congress last year, an extension of these two laws?

Mr. LAIRD. Yes; we did.

Mr. FOGARTY. The proponents won a sizable victory, as I remember.

Mr. DENTON. It was under suspension of the rules; was it not?

Mr. LAIRD. That is correct. It was tied in with the extension of the National Defense Education Act. And the only way anyone who wanted to oppose the present formula could do it was to vote against the whole bill because, under the rules, no amendments were in order.

Mr. FOGARTY. So, you are short over \$22 million in 1962 of meeting your obligations under the law?

Mr. KELLY. For full authorization; yes.

Mr. FOGARTY. When Congress passes a law and lays down the criteria, we ought to live up to our word 100 percent, not just 90 percent or 94 percent. Unless the law is changed, I think you have a responsibility to recommend a supplemental request to the Congress of \$22 million-odd for these two laws. I think you are breaking faith with the school district.

Mr. LAIRD. Mr. Chairman.

Mr. FOGARTY. Yes.

Mr. LAIRD. I would like to concur in the opinion that you expressed, that the school districts are relying, and have every right to rely, on full funding although I opposed the reenactment of this law because I do not feel the distribution formula is fair or just, particularly as it applies to the area around our Nation's Capital, where we find a great amount of the budget being spent. I do feel that we have to fund this program because the school districts have already gone ahead and made their plans in accordance with the authorization that was passed by the Congress.

Mr. FOGARTY. I understand your position on it, and I realize that it could not be amended as it came up last year.

Mr. LAIRD. It could not be amended on the floor, because it was under suspension of the rules.

Mr. FOGARTY. How much short are you going to be in 1963 now, under the present law?

Mr. KELLY. The budget that has been proposed to you fails to reach the full authorization by \$58,670,000.

Mr. FOGARTY. \$58 million. You are about \$80 million short, then, so far.

ACTION ON 1963 REQUEST FOR HOSPITALS AND MEDICAL CARE

They asked you for \$54.5 million for hospitals and medical care. You gave them \$53.6 million. You cut them nearly \$1 million. What is the reason for that cut?

Secretary RIBICOFF. Our allowance was designed to provide a phased increase of staff based on the tentative result of staffing surveys in three hospitals. With additional coordinating and supporting staff of the research program, reductions were made in amounts requested for supplies and drugs on the grounds that cost increases were not substantiated, as well as in travel and medical services for the Coast Guard.

Mr. FOGARTY. I would think it would be easy for them to bring that up to date.

Mr. DENTON. Are you talking about hospitals and medical care?

Mr. FOGARTY. Hospitals, yes; public health hospitals.

Mr. KELLY. Well, may I say, Mr. Chairman, that these figures were worked out; if the Public Health Service had the amount that the Secretary recommended that they would be very pleased.

Mr. FOGARTY. Of course, it is usually easy to get somebody working for you to agree to do some of these things. Some of them might be afraid they would get fired if they did not agree.

Mr. KELLY. The significant change made in this account was not made at the departmental level.

Mr. FOGARTY. I know. The Bureau of the Budget cut them how much?

Mr. KELLY. \$3,386,000.

Mr. FOGARTY. That is a sizable cut. What did they cut?

Mr. KELLY. Essentially, they eliminated all staff increases on the basis that staffing studies made had not progressed far enough to be validated.

You recall you provided over a period of 3 years staffing adjustments in hospitals that were designed to accomplish what we told you then was a rule-of-thumb figure. We had a list of comparable VA hospitals we were trying to achieve staffing parity with. Meanwhile, we were making detailed studies.

Well, these studies have still only progressed to a tentative stage. We have worked with the American Hospital Association, with the people in the Public Health Service, in order to arrive at staffing criteria for these Federal hospitals. We have the tentative results of three hospitals that have been studied that were used. But they admittedly are not validated studies yet, and the Budget Bureau allowed no staffing increase until they were.

ACTION ON 1963 REQUEST FOR FOREIGN QUARANTINE ACTIVITIES

Mr. FOGARTY. Now on foreign quarantine activities, they asked you for \$6,665,000. You cut them about \$500,000. What is your reason for that cut?

Secretary RIBICOFF. Our budget has a gross increase of \$570,000—when nonrecurring costs of construction at Rosebank in 1962 are considered. This includes a number of increases of a “built in” nature; establishing a preclearance inspection at Bermuda and Nassau, and improvement in medical examinations of visa applicants.

The Department reduction included chiefly \$280,000 for 24-hour coverage of the Mexican border and smaller amounts relating to staffing in international airports for which an increase of 30 positions was allowed in 1962.

The Bureau of the Budget reduction included \$1,600,000 for conversion of the appropriation to reimbursable financing for visa examinations, \$124,000 for tuberculosis and protection program along the Mexican border, and \$60,000 for extension of the 1962 wage board adjustments. But with an understanding with the State Department, there will be a \$10 charge for visa examinations, which will go into this fund.

Mr. KELLY. Yes. We are requesting, Mr. Chairman, that the appropriation language permit us to use the fee income which we propose to obtain from the aliens that are examined by the Public Health Service.

Up until now, these aliens were—if they are in a foreign country where we have Public Health Service physicians, examined free. If, on the other hand, they were in a place where we did not have Public Health Service physicians, they went to what is known as a panel physician. This is a physician that is approved and authorized by the State Department. These aliens have to pay this panel physician for their examination.

Now these are not destitute people. These are people who have to have means in order to be eligible to come into this country.

So it is proposed that the State Department increase their fees which they now charge for other parts of the immigration program by \$10 wherever the examination is provided by the Public Health Service.

Mr. FOGARTY. How are you making that proposal?

Mr. KELLY. The State Department has the authority to impose the fees and are doing so now. We are making the proposal to you that we be permitted to expend them in lieu of requesting appropriated funds by language in the appropriation act.

Mr. FOGARTY. Would that language not be subject to a point of order?

Mr. KELLY. I believe it is; yes, sir.

Mr. FOGARTY. You know what we went through a couple of years ago.

Mr. KELLY. I know, yes.

Mr. FOGARTY. Now you are asking for more legislation on the appropriations bill. You do not think the chances are very good, then, do you?

Mr. KELLY. Well, I hope that we either get appropriations in lieu of the fees and put them in the Treasury or get the language. I would not like to come out without either.

Mr. FOGARTY. We have no control over that once it reaches the floor. We do not have any defense if someone objects.

Mr. KELLY. Well, Mr. Chairman, from the standpoint of the Treasury of the United States, it is no different if you make \$1.6 million available for deposit in this account for us to spend or if the money is deposited as miscellaneous receipts in the Treasury and you appropriate \$1.6 million. You come out with the same result.

This way, I think, does tend to show you a clearer picture of what the funds are for, and that there are resources being collected to pay for them.

Mr. FOGARTY. This is one of our most important programs, especially in view of the increased travel from all over the world.

You put a thousand dollars in administrative reserves, Mr. Secretary. That doesn't seem to fit the formula we have been talking about.

Mr. KELLY. Yes. I might correct that, Mr. Chairman. It is \$56,000 that was the result of the action on the administrative reserves. But then they had wage board increases. In other words, their proportion of the total appropriation out of the increase which Congress provided to them was \$56,000.

But they had a problem of wage board increases, which, as you know, we have to put into effect, and we are authorized to come up and get appropriations for them. But inasmuch as we had these funds in administrative reserve, rather than come up and ask for additional supplemental funds, we released them to cover the cost of these wage increases.

PROPOSED INTERNATIONAL HEALTH PROGRAM

Mr. FOGARTY. Mr. Secretary, I read where you made a speech in New York a few weeks ago about a program for health missionaries. How would such a program work?

Secretary RIBICOFF. Basically the problem is to get the cooperation with the aid agencies. I do not think we have used, or this country has used sufficiently, the assets and talents that it has. I think it could be worked both on the private level and on the public level. I see that CARE and Medico are combining. They could recruit teams of doctors.

In talking to many men in the medical field, we find that, as you know and I know, there is a shortage of doctors. We do not have an oversupply of doctors in this country at the present time, and it may be very difficult to get many of our practicing physicians to give up a long period out of their lives. But I do think that there are many doctors in this country that would be willing to give up between 6 months and a year of their practice to be on the team to go to some underdeveloped country in order to work not only as instructors but as examples and actually do much of the medical work as required. That is one phase.

The second phase is a larger expansion of what I call the adoption by our medical schools and universities of a medical school or a university in another country. California has done this, for example, with

Indonesia. Medical schools could take the responsibility for a medical school of a country. They could send some of their staff on a rotating basis over to this country to establish a medical school and help train existing doctors in that nation. The brighter men and the more capable men could be brought over to their own universities for further training.

Another phase would be through projects such as the Hope project. That is a project in controversy. In addition the Public Health Service and the AID agencies are recruiting teams of American doctors, nurses, dentists, public health personnel to work abroad.

So I would conceive this as a strong cooperative effort between private and public agencies to work out such a program.

IMMIGRATION OF DOCTORS

However, we have a very basic problem to really be successful, Mr. Chairman, in this field, because at the present time we are importers of doctors and not exporters. The last year, some 1,800 foreign-trained doctors were licensed to practice in the United States of America. Last year—I think our figures were—we graduated some 8,200 doctors.

Is that not the figure, Wilbur?

Mr. COHEN. Yes.

Secretary RIBICOFF. From our medical schools. The Soviet Union graduated 27,000.

Over the last decade, the Soviet Union has trained doctors at about the rate of 2.4 over what we have trained doctors in this country. And although their doctors are not trained as well as our doctors, they do not have the same standards as our doctors, yet they are more than capable, with their knowledge, to take care of nations, underdeveloped nations which have no medicine whatsoever.

And we are finding at the present time that an underdeveloped country, in requesting medical service, in a very short order can get a team from the Soviet Union, where it is impossible for them to get a team from the United States.

In this connection one of the objectives of the new bill that we are talking about, the health professions bill, is not only to try to keep level in the United States on the number of doctors per 100,000 population, but I would hope that we could train enough to become an exporter of doctors, instead of an importer.

Basically, while the plan is there, I think we have got a tough job, because I do not think we have a surplus of doctors to send.

Mr. FOGARTY. I agree with you. I support the bill on medical school building and scholarships—direct aid. The last I knew, we had 7,000 or 8,000 foreign doctors practicing in this country. The American Medical Association has decided that many of them are not competent, and many of them are going back.

PROPOSED INTERNATIONAL HEALTH PROGRAM

But has the White House approved this approach?

Secretary RIBICOFF. Well, no, not directly. It is something that we have been working on. It is a program that we are working up in our Department.

But I think the difficulties are that the coordination between the AID agency and the other departments are not sufficiently in gear. It is my hope that the new Director, Mr. Fowler Hamilton, will work toward closer coordination with the existing agencies, such as Labor, HEW, Agriculture, and Interior, to use some of the talent that we have available in our departments for many of these programs, instead of going out and getting extra people.

But this is something that we will have to work out.

Now, I know that Senator Hubert Humphrey talked to me about this and he is deeply concerned because he feels there can be more of a coordinated effort. He told me that he is going to write to Fowler Hamilton to recommend a closer coordinated effort.

RELATIONSHIP TO THE PEACE CORPS

Mr. FOGARTY. Would this, in any way, duplicate the so-called Peace Corps program?

Secretary RIBICOFF. I do not think so. I think the Peace Corps program is basically interested in lower echelons of health; although I would say that the Peace Corps indicated an interest in the talk and they asked for copies of it, and it could very well be that this is a function that they could very well develop in this field.

But the Peace Corps objective, as I understand it, is not to go into the area of highly professional aid, such as medical doctors.

Mr. FOGARTY. They are sending schoolteachers abroad, engineers—

Secretary RIBICOFF. Schoolteachers, engineers.

Mr. FOGARTY. Scientists.

Secretary RIBICOFF. But I do not think they are really set up to do a big job—there is no reason they could not; I think my feeling on all these things, is that it is bad to fragment activities in similar fields.

CURRENT LEGISLATIVE AUTHORITY

Mr. FOGARTY. Would this proposal need further legislation?

Mr. COHEN. No. From the AID standpoint, we do not need legislation. We are proposing some general legislation to authorize us to cooperate, but as I understand it, the money would come in the AID program.

Mr. FOGARTY. How would this add to the authority the Institutes of Health have already?

Mr. KELLY. The National Institutes of Health authority is limited to the field of research and for development of manpower. And this would, as I understand it, involve the actual practice of medicine.

Mr. DENTON. Is not foreign aid doing this now already? Under point 4 program, were you not doing that?

Mr. COHEN. They have the authority to do it. But they have not, as I understand it, developed this program along the lines the Secretary mentioned.

Mr. FOGARTY. Well, I think your approach is good. I would hope that all medical problems could be funneled through the HEW, not through the State Department.

Secretary RIBICOFF. We think so, too, Mr. Chairman.

Mr. FOGARTY. I think you can do a much better job than the State Department.

Secretary RIBICOFF. I think the Public Health Service has got the competence and know-how, and I think they could really do the job.

Mr. FOGARTY. I am just wondering what legislation would Public Health Service need now to do what you propose?

The Public Health Service has pretty wide authority.

Mr. LAIRD. You can drive a truck through their authority.

Mr. COHEN. Yes. We are just exploring that but I would say off-hand, unless I am wrong, there is probably very little needs to be done in terms of seeking new legislation.

Mr. FOGARTY. The example the Secretary gave about University of California in Indonesia I have heard before.

Secretary RIBICOFF. That is actually being done now. There are several examples of this type. I think Tulane has one, the University of Maryland; there are three or four universities.

I have advocated to many of the deans of the medical schools that I would like to see them do it on a voluntary basis by having every medical school adopt a country. This they could do and take the responsibility for the setting up of a health program.

But the trouble is you have a shortage of teachers now in the universities and you have a shortage of personnel, and you have a shortage of doctors and we will have a tough job doing it, Mr. Chairman, because we do not have enough personnel in this country.

Mr. FOGARTY. But this type of thing has been going on for 2 or 3 years, has it not?

Secretary RIBICOFF. Oh, yes.

Mr. FOGARTY. Under the authority of the Public Health Service Act, is it not?

Secretary RIBICOFF. Well, I do not think it is done to a great extent. I think the University of California does it privately.

Are they getting grants on this from us?

Mr. COHEN. I think that is entirely with private funds that they are carrying on this program.

Secretary RIBICOFF. I think the University of California does it privately. I think they get money from AID, but they do not get money from us.

If I am wrong, correct me on the record.

(The following information was later submitted to the committee:)

INTERNATIONAL CENTERS FOR MEDICAL RESEARCH AND TRAINING

This program was established by the National Institutes of Health under the provisions of section 308 of the Public Health Service Act, and is designed to provide a comprehensive approach to the extension of medical research on a global basis and for the training of medical personnel in the United States and overseas. The centers will provide field experience and research opportunities for U.S. postgraduate physicians and scientists, and encourage physicians and other health personnel of collaborating institutions in foreign countries to participate in the development of health research and training resources in their national environment.

International centers have been established at five U.S. universities under broad multidisciplinary grants reviewed and approved by the National Advisory Allergy and Infectious Diseases Council. The five American universities and their cooperating institutions overseas are as follows:

University of California: Institute for Medical Research, Kuala Lumpur, Malaya.

Tulane University: Universidad del Valle, Cali, Colombia.

Johns Hopkins University: All-Indian Institute of Hygiene, Calcutta School of Tropical Medicine, Calcutta, India.

Louisiana State University: University of Costa Rica, San Jose, Costa Rica.

University of Maryland: Medical College at Lahore, East Pakistan.

NEW ASSISTANT SECRETARY FOR INTERNATIONAL HEALTH

Mr. COHEN. We are proposing, though, as you know, the creation of a new Assistant Secretary, whose primary responsibility would be coordination in the international field. I think one of the things we have noticed since we came this last year, as compared with the other departments, there is no focal point at the Government level except what the Secretary does himself. And he is diffused over many areas. You really need somebody who will spend full time doing it.

Mr. FOGARTY. I am all for it.

Mr. COHEN. There is nobody there spending full time developing that program.

Mr. FOGARTY. This would not be a one-way street.

Mr. COHEN. No.

Mr. FOGARTY. The information we get from some of these countries, of course, would be very helpful to us. We do not know all the answers. It works both ways.

Mr. COHEN. We are very anxious to get help, for example, on the problem of mental retardation. We have reason to believe that some countries are doing some things in this area, particularly research in practice, that we could learn if we developed joint projects.

Mr. FOGARTY. And this would be on more of a doctor-to-doctor basis or person-to-person basis.

Secretary RIBICOFF. That is right.

Mr. FOGARTY. Than the present aid programs that are in effect now. I voted for foreign aid too, but I think this would be the more practical approach, and I think we could do more good.

Secretary RIBICOFF. One of the most effective things we could do, I think, Mr. Chairman.

Mr. FOGARTY. It is awfully difficult to explain to some of our people here, when the ICA is building a new big medical school over in Thailand, why we cannot get one built here with Federal funds. But they are building a good one over there.

PROPOSED FEDERAL AID TO MEDICAL EDUCATION

Secretary RIBICOFF. Well, my hope is—and I am optimistic—that the present bill that you testified to the other day will successfully pass the Congress.

Mr. FOGARTY. I hope so.

But being practical about it, what do you think that committee would report out; what part of it?

Secretary RIBICOFF. I do not like to anticipate, and I would just guess—

Mr. FOGARTY. I do not either. I am disappointed about the whole thing.

Secretary RIBICOFF. My idea is that there is strong support, in just preliminary talks and conversations with the chairmen, for the con-

struction features of the program. Again, I sense from the committee's questioning that there is a great deal of hesitancy about the scholarship phase.

I would gather from the committee's questioning that there would be an interest in a loan program for medical and dental students, with probably a very liberal forgiveness feature for those doctors who go into rural areas, into the Public Health Service, into teaching or into the armed services.

And during the course of questioning, I asked the committee that, if this was their desire, I hoped we would have an opportunity to sit down with them to try to make the loan program as meaningful and as useful as possible.

But I sense a deep resistance against a scholarship feature.

But I would say the AMA this time came out for the construction feature and they took no position on the scholarship. The testimony is still going on. I would say the sentiment is very strong, and the witnesses all seem to be very positive about the whole program. I would be very optimistic this year on that program, Mr. Chairman.

Mr. FOGARTY. On construction?

Secretary RIBICOFF. On construction, and maybe a loan feature on aid to the students.

EFFECT OF NEW LEGISLATION ON SIZE OF DEPARTMENT

Mr. FOGARTY. During the hearings last year, you indicated that you thought some changes could be made in the Department to save money through increased efficiency. And last May I was told a lot of underbrush is going to have to be cut away. How much progress have you made?

Secretary RIBICOFF. All I can say, Mr. Chairman, that every time you turn around, there is a new program, there is an increase of the present program, and this is a Department that keeps on growing.

We have established a departmental committee, chaired by the Under Secretary, on which serve the Assistant Secretaries and Mr. Kelly, who together very carefully scrutinize any request for additional employees, are most careful in screening every request. And, I think, try to keep increases down to a minimum.

And to this extent, I think there are substantial savings. But if you would ask me: Could you cut out the number of employees on these programs I would have to say no. No matter how you cut down the requests, there are more and more employees because of program needs and new programs.

And I would say about a third of the increase takes place in the social security area of this Department.

Mr. KELLY. That is right.

Secretary RIBICOFF. Under OASI, you have the increasing numbers of people that come under the system, and they have to be serviced. And just the ordinary work of this Department requires additional numbers.

Mr. KELLY. We do have some study efforts underway, some of which have produced results in the way of economy.

The Bureau of Old-Age and Survivors' Insurance, as the Secretary said, has had to undergo very substantial increases because of the change in the law and the maturity of the program. As you know, they have made great advances in the use of electronics. And in order to minimize the increase, they have had a study underway now, partially implemented, on a design to get the maximum utilization of computers in their payrolling operations, where over 15 million people are payrolled monthly for benefits.

We have completed another study in which this committee authorized us to use the working capital fund in such activities as payrolling. We now furnish the payrolling services at 78 different points. We have come up with a study we are just beginning to implement, which shows that, through the use of a computer and through the use of a more uniform system on a centralized basis, that we can provide the services at less than two-thirds of the cost per person payrolled. I do not think we will save one-third of the money, because the number of people being payrolled is being increased; but the per person payroll costs will be about two-thirds of the current cost.

Mr. FOGARTY. I did not want to upset you last year, Mr. Secretary, but I have heard five or six Secretaries say the thing you said last year; that in such a huge operation as this, there could be substantial savings. But I was saying to myself: He is going to find it a little difficult.

Secretary RIBICOFF. That is right.

Mr. FOGARTY. As you pointed out today, you have several pieces of new legislation that are going to require more employees, not less.

Secretary RIBICOFF. This is an agency, Mr. Chairman, that grows and grows and grows and grows.

And there is no question, the fact remains that you are engaged here with programs that have close impact on the people. It is the newest Department of the Government, and these agencies and these programs are going to keep on growing.

Mr. FOGARTY. The committee asked you to prepare a statement setting forth the legislation passed during the current and last three Congresses that added significantly to your workload. I believe this would be a good place to have that in the record.

(The matter referred to follows:)

FOOD AND DRUG ADMINISTRATION

Legislation passed during the 84th, 85th, 86th, and 87th Congresses having a significant impact on the Food and Drug Administration workload includes:

Food Additives Amendment of 1958 (Public Law 85-929; enacted September 6, 1958). This act is designed to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety.

Federal Hazardous Substances Labeling Act (Public Law 86-613; enacted July 12, 1960). The purposes of this act is to regulate the interstate distribution and sale of packages of hazardous substances intended or suitable for household use.

Color Additive Amendments of 1960 (Public Law 86-618; enacted July 12, 1960). These new amendments are designed to protect the public health by amending the Federal Food, Drug, and Cosmetic Act in order to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used.

OFFICE OF EDUCATION

Legislative item	Public Law No.	Date effective	Workload impact
84th Cong., amendments to school assistance and payments to school districts.	204 221 382 896 949 85-620 87-344	Aug. 1, 1955 Aug. 4, 1955 Aug. 12, 1955 Aug. 1, 1956 Aug. 4, 1956 Aug. 12, 1958 Oct. 3, 1961	Authorizes assistance to local educational agencies for the construction of school facilities in areas affected by Federal activities and to school districts which provide free public education for federally connected children. Included Indian children under Public Laws 874 and 815. Broadening of eligibility requirements. Grant program for 50 States and other jurisdictions work for all grants to States programs includes: 1. Advising States of programs and developments in field. 2. Preparing standards and regulations. 3. Reviewing and approving State plans. 4. Preparing allotments and making payments to States. 5. Maintaining records and preparing reports.
84th Cong., Library Services Act Amendment to extend Library Services Act.	597 86-679	June 19, 1956 Aug. 30, 1960	Grant program for 50 States and other jurisdictions. 1. Advising States of programs and developments in field. 2. Preparing standards and regulations. 3. Reviewing and approving State plans. 4. Preparing allotments and making payments to States. 5. Maintaining records and preparing reports.
Practical nurse training (vocational education). Practical Nurse Training Extension Act of 1961.	911 87-22	Aug. 2, 1956 Apr. 24, 1961	Grant program for 50 States and other jurisdictions. 1. Advising States of programs and developments in field. 2. Preparing standards and regulations. 3. Reviewing and approving State plans. 4. Preparing allotments and making payments to States. 5. Maintaining records and preparing reports.
National Defense Education Act. Amendment to extend National Defense Education Act.	85-864 87-344	Sept. 2, 1958 Oct. 3, 1961	8 broad and varied programs: Student loan program with approximately 1,453 institutions of higher education participating; grants to States program for 50 States and other jurisdictions for strengthening science, mathematics, and foreign language instruction and loan program to nonprofit private elementary and secondary schools for same purpose; graduate fellowships in new or expanded programs, 1,500 new awards to be made in 1963 and 2,588 second and third year fellows; grant programs to States and other jurisdictions for guidance, counseling, and testing; institute program for guidance and counseling personnel, 77 institutes to be held with 2,310 participants in 1963. Advanced training program in foreign areas and languages with 54 language and area centers to be supported in 1963, 977 language fellowships awarded and institute program for foreign language elementary and secondary teachers with 85 institutes and 4,246 participants in 1963. Grant and contract program in educational media research, 375 proposals to be received and 120 awards to be made in 1961. Grant program to 50 States and other jurisdictions for area vocational programs; grant programs to 50 States and other jurisdictions for statistical services.
Captioned films for the deaf..	85-905	Sept. 2, 1958	114 feature captioned films and 43 educational captioned films in circulations. During 1963, 30 additional feature films and 10 new educational films to be captioned. Deaf persons in 47 States use these films.
Expansion of teaching in education of mentally retarded.	85-926	Sept. 6, 1958	Each year, approximately 168 fellowships are awarded; 100 to State educational agencies and 68 to higher education institutions.
Expansion of teaching in education of the deaf.	87-276	Sept. 22, 1961	Grants are made to approximately 30 participating institutions. In 1963, 360 scholarships and fellowships will be awarded.

OFFICE OF VOCATIONAL REHABILITATION

Legislative item (descriptive title)	Public Law No.	Date effective	Workload impact
84TH CONG. ¹ <i>1st sess.</i> <i>2d sess.</i>			
1. Social Security Amendments of 1956.	880	(2)	The disability provisions of the Social Security Amendments of 1956 provided for cash benefits for disabled workers age 50 and over and to disabled children age 18 and over. In all but 5 States, the vocational rehabilitation agencies act as agents of the Bureau of OASI in making the disability determinations on applicants for cash disability benefits. These provisions stipulate that every applicant must be referred for necessary rehabilitation services, and the State agencies have had to organize to handle the tremendous task of reviewing and assessing the rehabilitation potential of the OASI applicants referred. Between 350,000 and 400,000 of OASI referrals are processed annually. These consist primarily of the severely handicapped, cases which are difficult and costly to rehabilitate. This has constituted a sizable workload item for our staff and will continue at the rate noted above.
2. National Health Survey Act.	652	July 3, 1956	This act provides for a continuing survey and special studies of sickness and disability in the United States. OVR staff has worked with the staff of the national health survey (in the Public Health Service) in development of plans and criteria for collection of data, its tabulation and publication, in an attempt to assure that the survey will produce the information which is needed for more realistic planning in relation to the vocational rehabilitation program.
85TH CONG. <i>1st sess.</i> <i>2d sess.</i>			
1. Reorganization Plan No. 1 of 1958, establishing Office of Defense and Civilian Mobilization.	-----	July 1, 1958	Development of plans for Federal and State rehabilitation program activities in a national emergency and participation in civil defense exercises, National and State, involves full-time activity of 2 staff members plus participation of all other central and regional professional staff. Plans must envisage involvement of all rehabilitation personnel and facilities, public and private.
2. White House Conference on Aging Act.	908	Sept. 2, 1958	The White House Conference on Aging was held in January 1961. Although the major impact on workload for its preparation came in fiscal years 1960 and 1961, the current workload impact comes in OVR activities following through on the recommendations of the Conference and giving an increasing emphasis to the rehabilitation of older disabled citizens.
86TH CONG. <i>1st sess.</i> <i>2d sess.</i>			
1. Social Security Amendments of 1960.	778	Nov. 1, 1960	The elimination of the requirement of age 50 for disability insurance beneficiaries is having an impact on the Federal-State vocational rehabilitation program. There has been an increase in the numbers applying for disability benefits, both in the under-age-50 and over-age-50 groups. This means an increase in workload both as to the determination of disability and the assessment of rehabilitation potential.

¹ The Vocational Rehabilitation Amendments of 1954, Public Law 565, 83d Cong., provided the basis of launching a major program of expansion in inaugurating a 3-part grant structure, making grants available for (1) the support of basic State vocational rehabilitation services, (2) extension and improvement of these services, and (3) support of research, demonstration, and training.

² After Dec. 31, 1956.

OFFICE OF VOCATIONAL REHABILITATION—Continued

Legislative item (descriptive title)	Public Law No.	Date effective	Workload impact
2. International Health Research Act of 1960 (and implementation of sec. 104(k) of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, and Executive Order 10827, June 25, 1959).	610	July 12, 1960	The international rehabilitation research program involving research and related scientific activities in rehabilitation overseas was initiated in fiscal year 1961, supported by funds which were allocated to vocational rehabilitation from foreign currencies derived from the sale of surplus agricultural commodities under Public Law 480. By the end of fiscal year 1962, a total of 50 projects will have been initiated in the 9 countries participating in the program. We are also implementing some of the additional research authorities provided by the International Health Research Act of 1960. The implementation and operation of these programs has added considerable workload on an increasing scale.

PUBLIC HEALTH SERVICE

Legislative item (Descriptive title)	Public Law No.	Date effective	Workload impact
84TH CONG. <i>1st sess.</i>			
To provide research and technical assistance relating to air pollution control, Mental Health Study Act of 1955.....	159	July 14, 1955.....	Legislation extended by Public Law 86-365 approved Sept. 22, 1959. Workload impact reported under that act.
	182	July 28, 1955.....	Authorized for a 3-year period, 1956-58, a grant-in-aid program of \$1,250,000 for research into and study of resources, methods, and practices for diagnosing, treating, caring for, and rehabilitating the mentally ill.
Poliomyelitis Vaccination Assistance Act of 1955.....	377	Aug. 12, 1955.....	The grant program terminated June 30, 1957. The remaining activity on this program, consisting of the assembling and dissemination on vaccine production and shipment, continued until October 1960 and the processing of fiscal audit of State expenditures continues into fiscal year 1962.
<i>2d sess.</i>			
Dependents' Medical Care Act.....	569	Dec. 7, 1956.....	Added a new reimbursable beneficiary class. It is expected that in 1963 an average daily inpatient load of 176 dependents will be cared for, requiring 316 employees and a total cost of \$2,300,000. These dependents are eligible for care on an outpatient basis without reimbursement. It is expected that in 1963 there will be 160,000 outpatient visits, requiring 154 employees and a total cost of \$1,120,000. An average daily patient load of 175 dependents, including retired personnel are cared for in Federal uniformed service and non-Federal contract hospitals at an estimated cost in 1963 of \$2,657,000.
National Health Survey Act.....	652	July 3, 1956.....	Authorized activities that will require, in 1963, 108 man-years and \$2,900,000. The health interview survey is expected to reach a sample of approximately 42,000 households. The health examination survey will examine an additional 1,000-1,200 adults to complete the current series, following which 3 field pretests will be conducted as a prelude to the national sampling and examining of children. In the health records survey, data will be collected on a sample of about 6,000 resident places providing nursing or personal care. For the program as a whole, approximately 15 statistical publications will be issued as compared to 12 during fiscal year 1962 and a total of 42 in all other years since the initiation of the program.
Federal Water Pollution Control Act.....	660	July 9, 1956.....	Amended by the Federal Water Pollution Control Act Amendments of 1961. Workload impact reported under that act.
Alaska Mental Health Enabling Act.....	830	July 28, 1956.....	A 9-member team of specialists conducted a comprehensive survey of construction needs in Alaska in 1956. Frequent consultative visits have been made to Alaska as program grants. The program. Nine payments (\$2,000,000) were made to Alaska as program grants. Effective July 1, 1959, the administration of this grant was assumed by the Office of the President. PHS administers the \$6,500,000 construction grant program.
Health Research Facilities Act of 1956.....	835	July 30, 1956.....	Amended by Public Law 87-395. See statement on that law, below.
Health Amendments Act of 1956.....	911	July 1, 1956.....	Special project grants are provided to assist in the development of improved methods of care and treatment in the field of mental health. \$22,950,000 has been appropriated for this purpose through 1962.

National Library of Medicine Act.----- 85TH CONG. 1st sess.	941 Oct. 1, 1956.-----	Public Law 86-105 extended certain traineeship provisions of this act, and workload data are shown there. In 1962 this institution will acquire 88,000 medical publications; catalog 18,000 titles; bind and repair 20,000 volumes; answer 12,000 inquiries; fill 125,000 loan requests; photograph 2,400,000 pages; and index 150,000 journal articles.
3d Supplemental Appropriation Act, 1957 (amends sec. 364, pt. G, title III, of the Public Health Service Act).	85-58 July 21, 1957.-----	Required substantial amount of staff time in establishing overtime payment policy and preparing related instructions and forms. Enacts substantial amount of work in arranging with carriers for overtime services, and additional work in processing bills; a total of 14,632 overtime inspections were made in fiscal year 1961. Projects have been approved with 14 coming to City hospitals under this program providing for 100 beds for Indian use, costing \$2,228,000.
To authorize funds available for construction of Indian health facilities to be used to assist in the construction of community hospitals which will serve Indians and non-Indians. To amend the Immigration and Nationality Act, and for other purposes. (Amended by Public Law 86-253.)	85-151 Aug. 16, 1957.-----	Required substantial amount of staff time in collaborating with Immigration and Naturalization Service on revision of regulations, instructions, and forms. Under sec. 15 of Public Law 85-316, 21,000 physical and mental examinations were given to refugees by PHS medical personnel (8,967 in 1958, 10,364 in 1959, and 1,827 in 1960). Under sec. 16 of Public Law 85-316 and Public Law 86-253 which amended that section, nearly 3,000 refugees afflicted with tuberculosis were admitted through 1960.
2d sess. To amend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480).	85-477 June 30, 1958.-----	Authorized the use of certain U.S.-owned foreign currencies for medical research projects in foreign countries. \$3,707,000 was appropriated in 1961, and \$9,000,000 in 1962. The estimate for 1963 is \$2,800,000.
To amend sec. 314(e) of the Public Health Service Act, so as to authorize the Surgeon General to make certain grants for provision in public or nonprofit agencies for the health of training and services in the fields of public health and in the administration of state and local public health programs. For the relief of certain distressed aliens (nationals of Netherlands in Indonesia and of Portugal in the Azores).	85-544 July 22, 1958.-----	Sec. 2 of the act which limits the period of authorization has been repealed by Public Law 86-720 which makes the legislation permanent. 12 schools will receive grants totaling \$1,173,000 in 1962.
86TH CONG. 1st sess. To extend certain traineeship provisions of the Health Amendments Act of 1956. To amend the act of Aug. 5, 1954 (68 Stat. 674), and for other purposes.	85-892 Sept. 2, 1958, to June 30, 1960.-----	Under this legislation 7,964 medical examinations were given in 1960.
To provide for entry of certain relatives of U.S. citizens and lawfully resident aliens. 1 Grants for mental health program effective July 1, 1957.	86-105 July 23, 1959.-----	About 5,100 nurse traineeships—1,700 long-term and 3,400 short-term—and 625 public health traineeships will be awarded this year. Authorizes the provision of Indian sanitation facilities. Involves a cooperative program with the Indians. On the basis of a fully developed activity it is estimated that 95 man-years annually (primarily sanitary engineering and supporting sanitation staff) will be required. Under this legislation 1,075 physical and mental examinations were given in 1960.

PUBLIC HEALTH SERVICE—Continued

Legislative item (Descriptive title)	Public Law No.	Date effective	Workload impact
86TH CONG. <i>1st sess.</i> Amendment to Federal air pollution control law.....	86-365	Sept. 22, 1959.....	Legislation extended the Air Pollution Control Act through June 30, 1964, and authorized grants-in-aid for survey and studies, in addition to grants for research, training, and demonstrations. The program conducts or supports over 300 research projects, using its own facilities, those of other Federal agencies and other public and private research organizations. The national air sampling network samples the air in over 200 urban and nonurban sites throughout the United States. Over 3,000 persons have participated in technical training courses provided by the program at the Sanitary Engineering Center in Cincinnati, Ohio, and at other locations.
<i>2d sess.</i> To authorize and direct the Surgeon General of the PHS to make a study and report to Congress, from the standpoint of the public health, of the discharge of substances into the atmosphere from the exhausts of motor vehicles.	86-493	June 8, 1960.....	This act was to accelerate a research program on the health effects of automotive exhausts. An additional function was activated for the production of automotive health-related air pollution and the laboratory exposure of animals to such pollution. In 1962 this type of experimental work is being conducted. In addition, through contracts with the University of Southern California, the Los Angeles County Air Pollution Control District, the Ethyl Corp., and others, complementary studies on the automotive exhaust problems are in progress.
To provide for international cooperation in health research, research training, and research planning. To enable the United States to participate in the resettlement of certain refugees. To amend title III of the Public Health Service Act, to authorize project grants for graduate training in public health and for other purposes.	86-610 86-648 86-720	July 12, 1960..... June 14, 1960, to July 1, 1962 Sept. 8, 1960.....	Reaffirms and specifies the present implied authorities of the Surgeon General for the support of health research and research training in foreign countries. An estimated 8,000 medical examinations will be performed in the European area through 1962.
To amend title V of Agricultural Act of 1949 as amended to extend period of admission on temporary basis of Mexican nationals for farm labor purposes. To amend the Public Health Service Act to authorize grants-in-aid to universities, hospitals, laboratories, and other public and nonprofit institutions to strengthen their programs of research and research training in sciences related to health.	86-783 86-798	July 1, 1961, to Dec. 31, 1961. Sept. 15, 1960.....	Forms were revised and developed; program documents revised, duplicated, and distributed to 145 eligible schools. Approximately 115 applications processed and reviewed intramurally by a committee and by professional experts in the project area and by the National Advisory Committee on Public Health Training. 25 new and 63 renewal grants totaling \$2,000,000 were made and administered. Amended by Public Law 87-346. See statement on that law, below.
			This program of general research support grants was implemented in 1962 with \$20,000,000. Administration requires about 8 man-years and \$60,000 annually.

Increased the Federal Government's responsibilities and gave greater urgency to the joint Federal-State programs in water pollution control. As of 1962, activity has increased to \$101,840,000 including \$4,800,000 grants to States and interstate agencies, \$80,000,000 for waste treatment construction grants and \$1,600,000 for site acquisition and planning of 2 field facilities.

The major elements of the program are as follows:

Basic data—National water quality network sampling for year ending Sept. 30, 1961

	Chemical quality	Purpose of sample			Total
		Microbiology*	Plankton population	Organic chemicals	
Samples taken -----	3,200	2,600	1,600	600	3,300
Determinations made -----	40,500	7,300	44,900	8,900	9,000
					11,300
					110,600

NOTE.—Water quality sampling stations as of Dec. 31, 1961, 99; sampling stations required, 300.

*These values were included with chemical quality determinations in previous tables.

The basic data program was a new authorization to the Surgeon General to develop and make available data to enable water supply and pollution authorities, and others concerned to understand more adequately the scope and character of the problems they face, and more wisely to carry out their responsibilities. A water quality sampling network initiated in 1957 now has 99 of a planned 300 stations supplying regular samples for laboratory analysis by PHIS, and cooperating laboratories.

Construction grants—Workload data, Construction Grants Administration

	1957					1958	1959	1960	1961	1962 estimated
						511	501	556	577	725
Number of—						145	145	446	436	580
Construction starts -----						4	4	545	573	580
Plants completed -----						446	592	545	573	580
Grant offers -----						216	526	558	565	700
Plans reviewed -----						30	510	1,200	1,200	1,600
Payment inspections -----										

PUBLIC HEALTH SERVICE—Continued

Legislative item (Descriptive title)	Public Law No.	Date effective	Workload impact
87TH CONG. <i>1st sess.</i>			Fiscal year 1962 appropriations for grants to aid in the construction of municipal sewage treatment facilities totaled \$80,000,000. Appropriations of \$90,000,000 for fiscal year 1963 and \$100,000,000 annually for fiscal years 1964-67 are authorized by the amended legislation. New program responsibilities are multiple-sponsor projects, reallocation of funds, Federal impact grants, and application of wage rate legislation. <i>Enforcement</i> Public Law 660 (84th Congress) as amended by Public Law 87-88 provides for Federal action to enforce the abatement of pollution on interstate and navigable waters. Under the provisions of the act, approximately 2,000 interstate bodies have been identified as areas of potential pollution. 16 formal conferences have been held and 4 hearings have resulted from the failure of polluters to comply with conference recommendations. In 1 case, after the filing of a suit by the United States against St. Joseph, Mo., a previously defeated bond issue was passed, and semiannual reports of progress are being submitted to the U. S. district court of St. Joseph, Mo. Conferences have been held during the past year on pollution of the interstate waters of the North Platte River and the Karihan Bay. The latter conference established a project to determine the nature and sources of pollution as a basis for further action. Now in progress as the result of another conference is a project studying the entire Colorado River Basin. 1 progress meeting was held in 1961 setting up a schedule of action for pollution abatement in the interstate waters of the Bear River, and another such meeting provided substantial success in the construction of waste treatment facilities on the Mississippi River, St. Louis metropolitan area. At the request of Governor Rosellini of Washington a conference was held in January 1962 on pollution of the Puget Sound area and surrounding waters. A similar conference has been requested by Governor Swanson of Michigan covering pollution of the Detroit River. At present an inventory is being made of Federal installations discharging water pollutants in order to implement the future construction of pollution control facilities for these installations. <i>Research</i> Water supply and pollution control research projects: Enactment of Public Law 87-88 continued the broad research authorization that was contained in Public Law 660, 84th Congress. Public Law 87-88 in addition directed research on new methods for maximum removal of wastes from water, methods for identifying and evaluating contaminants including those created by new technological developments, and methods

and procedures for evaluating the effects on water quality and water uses of augmented streamflows to control water pollution not susceptible to other means of abatement. Appropriation of up to \$5,000,000 in any one year, not to exceed an aggregate of \$25 million was authorized for this directed research.

Technical services and comprehensive programs: The technical services and related activities carried out under Public Law 660 provided to regional installations, States, and communities are concerned with (1) consultant services on problems such as methods for waste treatment, (2) the conduct of field investigations on problems such as effect of pesticides and the effect of recreational activity on water quality, (3) the conduct of experiments and demonstrations, and the provision of assistance on scientific, engineering, economic, and administrative problems, and (4) administration of annual Federal grants of \$4,800,000 to State and interstate water pollution control agencies to improve and extend their programs.

Comprehensive programs are founded on basinwide studies of water requirements for all purposes and studies of pollution control problems, including those that will result from the anticipated uses of water. There is also consideration of streamflow augmentation to dilute pollution not otherwise susceptible to control and development of recommendations on water storage requirements for this purpose in reservoirs constructed by Federal agencies both in our comprehensive programs and areas where such programs are not yet underway.

At present, such studies are now underway on the Great Lakes-Illinois River Basin, the Columbia River Basin, the Chesapeake Bay, the Arkansas-Red Rivers, and the Delaware Bay.

The Federal Water Pollution Control Act authorizes the award of grants-in-aid for research, training, and demonstration projects and for research fellowships.

The 1961 amendments provided for at least 7 field laboratories and research facilities. Site acquisition and construction has begun on 2 of these facilities. Continuation until Dec. 31, 1965, the medical examination program carried on since 1951 by the Division of Foreign Quarantine for the Department of Labor. During fiscal year 1962 an estimated 358,000 medical examinations will be performed.

Increased grant authorizations under sec. 314(c) of the Public Health Service Act. Authorized special project grants for improving community health services; about 70 applications have been received; more than 100 are expected. Increased grant authorization for construction of nursing homes. Amended authorization for research under sec. 636 of the act. Extended and increased authorization for grants for construction of health research facilities. Entails substantially increased management and consultative workload at headquarters and in the regional offices to provide sound management and operation of the expanded programs.

To amend title V of the Agricultural Act of 1949-----

87-345

Oct. 3, 1961

Community Health Services and Facilities Act of 1961-----

87-385

Oct. 5, 1961

SOCIAL SECURITY ADMINISTRATION
BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

Legislative item (descriptive title)	Public Law No.	Date enacted	Workload impact
84TH CONG. 2d sess. Social Security Act Amendments-----	880	Aug. 1, 1956	1. Monthly payments for permanently and totally disabled workers age 60 and over beginning July 1, 1957; 250,000 workers became immediately eligible. Annually BOASI receives about 330,000 claims from these workers. 2. Disabled children age 18 and over who are dependent on OASI beneficiaries became entitled to monthly benefits beginning January 1957. This was later extended to children of disabled workers. Approximately 35,000 applications are filed annually because of this provision of the act. 3. The age at which women could receive benefits was lowered to 62. Over 700,000 women were added to the beneficiary rolls in fiscal year 1957 as a result of this provision. 4. The amendments extended coverage to approximately 900,000 persons, mainly farmers under the material participation provision and certain self-employed professionals. This change increased the annual volume of self-employed reports processed each year and many farm owners in the older age groups became eligible for benefits by fiscal year 1957. 5. Extended coverage to nearly 3,000,000 members of the uniformed services. This change resulted in an additional 11,200,000 earnings items to be processed each year.
85TH CONG. 1st sess. Social Security Act Amendments-----	109	July 17, 1957	1. Extended to June 30, 1958, the time which disabled workers could file an application for disability freeze and still have a period of disability extended as early as the actual onset of the disablement. Estimated effect of this legislation was an additional 145,000 disability claims in 1958.
84TH CONG. 2d sess. Social Security Act Amendments-----	840	Aug. 28, 1958	1. Benefit amounts increased by 7 percent. Conversion to the new benefit amounts for almost 13,000,000 beneficiaries made in fiscal year 1959 2. Provided monthly benefits for wives, dependent husbands, and children of disability insurance beneficiaries. Over 120,000 of these dependents were added to the beneficiary rolls in the first year (1959). Claims from dependents of disabled workers age 30 and over amount to about 96,000 annually.

Social Security Act Amendments.....

778

Sept. 13, 1960

1. Disability insurance benefits are payable under the amended law to disabled workers under age 50 and their dependents on same basis as previously payable to disabled workers age 50 to 65 and their dependents. In fiscal year 1961 about 94,000 disabled workers formerly in a "freeze" status were made eligible for monthly benefits. Annually, the Bureau receives approximately 170,000 claims from disabled workers under age 50, and 175,000 claims from their dependents.
2. New retirement test provides for withholding \$1 in benefits for each \$2 of earnings between \$1,200 and \$1,500, and \$1 in benefits for each \$1 of earnings above \$1,500. This revision has increased the number of claims filed because it permits higher earnings while in benefit status. The new and more complicated retirement test also requires added steps in processing claims from workers in an employed status, in administering deductions from benefits because of earnings, and in explaining the effect of the test on individual beneficiaries and other inquirers at Bureau offices.
3. The 1960 amendments revised the qualifying requirements for an insured status. The workers need only 1 quarter of coverage for every 3 calendar quarters elapsed after 1950 instead of 2 quarters for every 2 elapsed quarters under the old law. About 150,000 claims were filed in fiscal year 1961 as a result of this change. The impact on workloads will continue to a lesser degree in subsequent years.
4. The increase of monthly benefits of each child of a deceased worker required the Bureau to convert approximately 400,000 children's benefits from the old payment to the new benefit amount. Checks issued on Jan. 3, 1961, reflected the new benefit amounts.

778

Social Security Act amendments.....

64

June 30, 1961

1. The 1961 amendments reduced the age at which men are first eligible for old-age and survivors insurance benefits from 65 to 62 with benefits for those who claim them before 65 reduced to balance the longer period over which they will receive benefits. About 650,000 claims applications will be received in fiscal year 1962 from men age 62 to 64 and their dependents as a result of this change.
2. The qualifying requirements for insured status were revised from 1 out of 3 to one quarter of coverage for every 4 calendar quarters elapsed after 1950; 160,000 claims will be filed in fiscal year 1962 due to this revision.
3. The retirement test was revised to provide withholding of \$1 in benefits for each \$2 in earnings between \$1,200 and \$1,700 and \$1 in benefits for each \$1 of earnings above \$1,700. This will result in 145,000 additional claims for OASI benefits in fiscal year 1962.
4. The monthly benefit amount for aged widows was increased from 75 percent of the primary insurance amount to 82½ percent. A similar increase was provided for widowers and sole surviving parents. The benefit amounts for 1,255,000 current beneficiaries were increased in August 1961 as a result of this change.

SOCIAL SECURITY ADMINISTRATION—Continued
BUREAU OF OLD-AGE AND SURVIVORS INSURANCE—continued

Legislative item (descriptive title)	Public Law No.	Date enacted	Workload impact
87TH CONG. 1st sess. Social Security Act amendments—Continued	64	June 30, 1961	5. The minimum benefit payable to a worker retiring at age 65 or later, to a disabled worker, or to a sole survivor was increased from \$33 to \$40 with corresponding increases to the dependents of the insured worker. The benefit amounts for 2,005,000 beneficiaries were increased in August 1961 as a result of this change. 6. The time within which disabled workers can apply for disability benefits and have the beginning of the period of disability (for insured status and computation purposes) established as far back as the date of actual onset was extended to June 30, 1962. Approximately 14,000 claims from disabled workers and 8,000 claims from their dependents will be filed in fiscal year 1962 as a result of this provision of the law.

BUREAU OF FAMILY SERVICES

84TH CONG. 2d sess. Social Security Amendments of 1956. Major elements of these amendments which affect workload of the Bureau of Family Services are (1) a change in the matching formula; (2) a provision for separate Federal matching for payments to vendors for medical and remedial care furnished recipients; (3) amending the purpose clauses in the public assistance titles of the Social Security Act—"Old-Age Assistance," "Aid to Dependent Children," "Aid to the Blind," and "Aid to the Permanently and Totally Disabled"—to make explicit that in addition to financial assistance a program objective is to help recipients toward self-support, self-care, and strengthened family life.	880	Aug. 1, 1956	Whenever new amendments are passed immediate emphasis in the Bureau of Family Services is of necessity, on working with States to implementing those that require immediate action. In addition, the effect on continuing workload as a result of the 1956 and 1958 amendments is substantial. For example, the emphasis on States' furnishing appropriate welfare services to help recipients toward self-support, self-care and strengthened family life greatly intensified the need for more leadership by the Bureau. Requests by States for technical assistance to help them extend and strengthen their services, including helping them to develop techniques for assuring that potential community resources are utilized to the fullest, have and will continue to increase. The 1956 amendments relating to medical care stimulated considerable action by the States. Many States began working toward expending their medical care programs. Medical care service is one of the essentials in assisting recipients toward self-care and self-support. A large proportion of the public assistance caseload is made up of persons with unusually heavy medical needs resulting from disability, chronic illness, or infirmities of old age. The flexibility provided by the 1958 amendments in medical care furnished under the 4 public assistance programs furthered this interest. The Advisory Council on Public Assistance, completed and submitted its report on findings and recommendations to the Congress on Jan. 1, 1960. Where decisions have been made, the Bureau is implementing Advisory Council recommendations—e.g., in the standards of assistance area.
85TH CONG. 2d sess. Social Security Amendments of 1958. Major elements of these amendments which affect workload of the Bureau of Family Services are (1) a change in the matching formula for medical payments; (2) provision for determining the Federal share of State expenditures for both assistance and medical care, within a single maximum for both and a provision for relating the Federal share within this maximum to average payments instead of to individual payments; (3) establishing the principle of varying Federal financial participation in accordance with the relative fiscal capacity of each State as measured by per capita income; and (4) provision for an Advisory Council on Public Assistance to review the status of the public assistance programs.	840	Aug. 28, 1958	

Social Security Amendments of 1960.

Major elements of these amendments, which affect workload of the Bureau of Family Services are: (1) establishment of a new Federal-State program of medical assistance for the aged for persons 65 years of age and over not receiving old-age assistance, but whose income and resources are not sufficient to meet their medical expenses. Like the other assistance programs, it is carried out by State welfare agencies under State law and rules after a State decides to have such a program. Eligibility for medical care for the aged may be on a more liberal basis than for old-age assistance. This proviso became effective Oct. 1, 1960; (2) increased Federal financial participation in payments made by States to suppliers of medical care to recipients of old-age assistance in order to assist States to improve existing medical care provisions or establish new ones. This provision became effective Oct. 1, 1960; (3) the amendments also require that the Bureau develop medical care guides and standards, obtain information from States and publish reports on the level, content, and quality of medical care and services furnished recipients of public assistance and medical assistance for the aged.

An act providing for hospitalization and services for repatriated mentally ill U.S. nationals.

The Secretary of Health, Education, and Welfare is authorized to provide for the reception and hospitalization in the United States of repatriated mentally ill American nationals. Administration of the law involves assuming responsibility for such individuals after they are brought to a port of entry or debarkation, providing for temporary care or treatment either in hospitals of the Department of Health, Education, and Welfare, or in other appropriate public or private hospitals and agencies, depending upon the best interests of the patient; arranging for the proper authorities of the State of legal residence of the person concerned or for his family to assume responsibility for him; providing longer-term care and treatment when necessary; observing certain procedural protections to safeguard the patient's rights; and performing a number of related functions. Responsibility for administering the program has been assigned to the Bureau of Family Services.

778 Sept. 13, 1960

Many of the concepts and principles which are used for the formulation of policy and for consultation with the States for the assistance programs are not applicable to the new program of medical assistance for the aged. One of the basic differences is that the 4 assistance categories deal with destitute or nearly destitute persons, people who do not have enough money to buy the necessities of life. Recipients of medical assistance for the aged will usually have enough income to provide for such needs with the exception of medical care. For the 1st time, the Bureau is responsible for the administration of a program of assistance for only medical care and services, not associated with assistance for other recipient needs. In the other programs, assistance was defined to include medical care. The House Committee on Ways and Means examined the results of medical care as a form of public assistance and concluded that further Federal leadership was needed. In response to this need, the Congress included in the law direction to develop "guides and reports" in this area. The Congress determined that the Department should advise the States of the necessary elements of a good medical assistance program and then should obtain and publish information on the extent to which States are providing what is needed. Numerous expressions of congressional concern over the quality of the program can be found in the legislative history. Guides and reports were cited as the legislative base to keep quality high. The Bureau has a special responsibility to use this authority and direction as a protection to the medically needy.

Additional legislation pertaining to assistance for repatriates (the destitute, sick, etc.) was enacted by the 87th Cong. and is discussed below. Since the program provided for by Public Law 86-571 and that enacted by the 87th Cong. are being administered as nearly as possible as one program, the impact on Bureau workload for both types of repatriation activities is covered under the legislation enacted by the 87th Cong.

571 July 5, 1960

SOCIAL SECURITY ADMINISTRATION—Continued
BUREAU OF FAMILY SERVICES—continued

Legislative item (descriptive title)	Public Law No.	Date enacted	Workload impact
87TH CONG. <i>1st sess.</i> Amendments to title IV (aid to dependent children) of the Social Security Act and other provisions. Major elements of these amendments are (1) an extension of the program of aid to dependent children to enable the States to assist children who are in need because of unemployment of a parent; (2) Federal participation for children receiving aid to dependent children who are placed in foster family homes as a result of court action; (3) an increase in Federal matching in old-age assistance vendor medical payments; and (4) increased Federal funds for grants to States for training of public welfare personnel. Although the 2 amendments relating to extension of the aid to dependent children program are due to expire at the end of fiscal year 1962, there were observations made during the congressional consideration of the legislation that there may be a continuing need for this or a similar type of legislation. The broadening of the aid to dependent children program to provide assistance to needy children deprived of parental care or support because of the unemployment of a parent represents a significant breakthrough in welfare legislation. For the first time since the Federal emergency relief programs, Federal funds were made available through the public assistance programs to help families hard pressed because of unemployment of the breadwinner. States including unemployment as a basis for eligibility must provide (a) for cooperative arrangements with the public employment offices in the State and maximum utilization of the services and facilities of such offices to restore the unemployed parent to employment.	31	May 8, 1961	The effect of the additional responsibilities relating to extension of aid to dependent children of the unemployed is far-reaching in terms of program modifications and implications for Bureau work. Considerable program developments in the administrative and policy areas at both the State and Federal levels are involved. While broad national policies have been developed for use by the States in developing their plans, it is already evident that more specific information on the operation of the plans must be developed and reviewed to assure conformity with the Federal law and regulations issued thereunder. Many of the problems to be dealt with in this area represent new areas of work responsibility, with very considerable dissimilarity to problems formerly found in the programs. The employable person who can work and wants to work is a segment of public welfare that is new to the Bureau's programs. There are also conditions that must be met in connection with the amendment permitting Federal financial participation in the cost of foster care to a child receiving aid to dependent children who, as a result of a judicial determination, is placed in an approved foster family home by the public assistance agency because his present situation is found by the court to be harmful to his welfare. A plan must be made for each such child to insure his proper care while he remains in foster care (including periodic review of the necessity for the child's continuing in foster care). The State must also see that services are provided to improve the conditions in the home from which the child has been removed, or make possible his placement in the home of another specified relative. The foster-family home must be one licensed by the State or approved by the State licensing agency. The public assistance agencies will be dealing directly with courts on this aspect of the program of aid to dependent children. When the court makes the determination that the continuation of a child in his home is contrary to his interest, the public assistance agency is then responsible for his placement and care. Fiscal year 1963 will be the 1st year for administration of training grants if the appropriation request is approved.
Assistance for repatriated U.S. citizens (other than the mentally ill)----- This law added sec. 1113 to the Social Security Act with authorities the development of plans and provision of temporary assistance to U.S. citizens and their dependents who are identified by the Department of State as having returned, or been brought back, to this country because of destitution, illness, war, threat of war, invasion or similar crisis and	8-64	June 30, 1961	Operating experience will result in the need for considerable modification—especially in relation to individual case problems that will arise—in the interim policies and procedures that have been developed for use of State welfare agencies, FHS hospitals, St. Elizabeths Hospital, and others with whom arrangements are being made for various aspects of the programs. Others with whom cooperative work relationships must be maintained

are without available resources. The legislation complements that relating to mentally ill repatriates and responsibility for its administration has also been assigned to the Bureau of Family Services. In adding sec. 1113 to the Social Security Act, Congress also included a limitation: "No temporary assistance may be provided under this section after June 30, 1962." However, the development of plans for assistance to persons repatriated because of war, threat of war, invasion, or similar crisis is a continuing responsibility. Legislative proposals of the President will include a request for extension of this program.

include the Departments of State, Justice, and Defense. Internal procedures relating to program, statistical, and fiscal matters will also require continuing evaluation and modification. With respect to mentally ill repatriates, the law provides that certain decisions may not be made outside of the Department of Health, Education, and Welfare. These decisions for which responsibility is delegated to the Bureau include (a) sending or transferring hospitalized mentally ill persons to a relative who agrees to assume responsibility to another Federal agency responsible for care and treatment, or to another hospital for continuing care and treatment; (b) seeking reimbursement for cost of care and treatment from a State; (c) securing payment for cost of care and treatment from the mentally ill person, his spouse, his parent (in case of a minor child), or his estate, and securing compromise or waiver of all or part of a claim; and (d) obtaining judicial commitment of a mentally ill person to the custody of the Secretary of Health, Education, and Welfare during transfer from 1 hospital to another.

The development of plans and procedures with respect to mass evacuation from foreign countries in event of war or threat of war, part of the Bureau's responsibility under the new sec. 1113 of the Social Security Act, will of necessity need modification as indicated by exigencies that may be present at a given time.

CHILDREN'S BUREAU

Four items of legislation were passed during the 85th, 86th, and 97th Congresses which added significantly to the workload of the Children's Bureau:

(a) Social Security Amendments of 1958 (Public Law 85-840) amended the child welfare provision of the act (title V, pt. 3) by extending services to urban children, by providing for variable matching of Federal funds and a new grant formula, by providing for reallocation of unneeded funds. They also established a Child Welfare Advisory Council to study and report on the child welfare program. As a result of the foregoing changes and provisions it was necessary for the Bureau to revise child welfare grant regulations, policies, and procedures. In addition, application of the new grant formula and reallocation provisions increased work required in computing and making grants to States. It was necessary to furnish the secretariat, and staff assistance of regular personnel, for the Advisory Council for the year it was in existence.

(b) Social Security Amendments of 1960 (Public Law 86-778), in addition to certain other provisions, added a new program of grants for research or demonstration projects in child welfare. It is planned to put this program in operation in 1962. Added staff will be required to process and control applications and grants, perform technical program review of project proposals, maintain liaison with technical advisers, make onsite visits, and perform the initial task of developing forms, procedures, regulations, instructions, etc., for administering the program. These amendments also extended special project grants under the maternal and child health and crippled children's programs to institutions of higher learning, thereby increasing the number of grantees and necessitating the development of new policies and procedures.

(c) International Health Research Act of 1960 (Public Law 86-610). This law grants new powers to the Secretary of Health, Education, and Welfare, in carrying out his responsibilities under the basic act of 1912 which created the Children's Bureau. Among these new powers are authorization for making grants for research and training activities in foreign countries. It is planned to put this new program into operation during 1962. During the current year, it has been necessary to formulate plans, in coordination with those of other units in the Department, in order that the program may be put into effect in 1962. No additional funds for administration or for assistance in carrying out the program have been provided.

(d) Juvenile Delinquency and Youth Offenses Control Act of 1961 (Public Law 87-274). This law establishes a 3-year program, beginning with fiscal year 1962, of (1) grants for demonstration and evaluation projects; (2) grants for training of personnel; and (3) technical assistance services. A supplemental appropriation was enacted which provided funds for this program for the current fiscal year. Under it, funds were made available to the Children's Bureau for expanding its technical assistance services through the addition of 14 positions. The Office of the Secretary is responsible for administering the two grant programs.

OFFICE OF THE COMMISSIONER

The items listed by the Bureau of Old-Age and Survivors Insurance, Bureau of Family Services, and Children's Bureau (attached) pertaining to legislation passed during the 84th, 85th, 86th, and 87th Congresses in most instances added significantly to the workload of the Office of the Commissioner. New and expanded areas of coverage under the Social Security Act during these sessions of Congress has increased the number of rules and regulations that have to be established and program policy and procedural determinations that have to be made. They have made more complex and time-consuming the work of reviewing and coordinating program activities and have increased the number of studies and analyses necessary to provide information upon which to base sound policy and program decisions. Also, the Office of the Commissioner has assumed responsibility for the program of cooperative research and demonstration projects in social security enacted during this period.

HOWARD UNIVERSITY

Legislative item (descriptive title)	Public Law No.	Date effective	Workload impact
87th Cong., 1st sess.: To transfer Freed- men's Hospital to Howard University.	262	Sept. 21, 1961	This law authorizes the transfer of Freedmen's Hospital to Howard University and the construction of a new teaching hospital for the university of not to exceed 500 beds. The transfer is to become effective not later than the beginning of the second month which begins after construction of the new hospital facilities is commenced. Although the full workload impact will not be felt until the effective date of the transfer, planning for construction of the new hospital and for the transfer itself is requiring the substantial involvement of teaching and administrative personnel in the college of medicine and of general administrative personnel of the university.

STUDIES OF THE PUBLIC HEALTH SERVICE

Mr. FOGARTY. Now, there have been people in and out of Government that have been prophesying that there is going to be a big shakeup in the Public Health Service because of an examination that has been, or is being made in the Public Health Services. Is there anything to these rumors?

Secretary RIBICOFF. I know nothing about that. I will say that that is due to an erroneous story. I think what the story was, we appointed a committee, headed by the former Secretary, Mr. Folsom, to survey the pay standards and the pay rates in the Public Health Service, purely on a constructive basis.

Well, the story first broke on the basis that this committee was designed to shake up the Public Health Service. And it was an erroneous story, because that was not the purpose of the study at all. The purpose of the study was to study the personnel policies and the rates of pay.

So there is nothing to that. I know of none, and it is not my intention to shake up the Public Health Service.

Mr. FOGARTY. These stories appear in the paper from time to time. The one I was referring to was an article by Jerry Kluttz in the Washington Post of October 24, 1961.

Secretary RIBICOFF. I think that is the one I was referring to.

Mr. FOGARTY. He says:

A major shakeup of PHS by the end of this year, before Congress returns, could be a result * * * of this investigation.

HEW is reported to have set up a committee of its own to look into employee complaints of irregular personnel practices and bad management. Employees say a number of persons have been asked to testify before it under oath.

Is that right?

Mr. KELLY. I think the problem, Mr. Chairman, is that two actions got confused and, as the Secretary said, the Folsom committee was set up to study the personnel policies of the Public Health Service at the Surgeon General's request.

He wanted to insure the recruitment and retention of the best people.

The other problem was with respect to allegations with respect to the management of one of the central office divisions. We set up a group in the Surgeon General's Office to look into these allegations to

determine the truth or falsity of them and to take whatever corrective action was appropriate.

The two problems got confused with each other. This one is just a typical administrative procedure of looking into some allegations that were made to determine the truth or falsity, and take appropriate action.

Secretary RIBICOFF. That is right.

Mr. KELLY. That has not been completed yet, but is near completion.

Mr. FOGARTY. Do you put employees under oath in such investigations?

Mr. KELLY. In this instance, they did, sir.

Mr. FOGARTY. Is that an unusual practice when you are just looking into a complaint like this?

Mr. KELLY. It was an unusual procedure, but we were using on loan some investigators in connection with it who are empowered to give oath, and they were used in order to do this in the process of the investigation. I do not believe that it affected the course of the investigation one way or the other.

Mr. FOGARTY. Do you investigate all complaints?

Mr. KELLY. Generally speaking, we take some course of action on all complaints we receive.

ORGANIZATIONAL CHANGES

Mr. FOGARTY. Mr. Secretary, in view of what you had in mind last year, have you made any organizational changes?

Secretary RIBICOFF. Well, what we are doing—

Mr. FOGARTY. Have you effected any economies?

Secretary RIBICOFF. Effected any economies? I would say that we have effected an economy in a negative way by trying to hold down the number of people that you hire and the number of people that seek positions.

But if you ask me, have I effected any economies outside of the \$101 million that you complain about, I would say that that is the economy that has been effected.

But on a day-to-day operating basis, Mr. Chairman, that is almost an impossibility, unless there was more staff in the Secretary's office to be able to do this.

Mr. FOGARTY. Well, some of those so-called economies that I complain about, I think are false economy.

Secretary RIBICOFF. And, basically, you say shake up this Department. It is going to take an awful lot of doing to try to do it the way it keeps on growing.

Mr. FOGARTY. Do you have any plans in the future to make any organizational changes?

OFFICE OF EDUCATION

Secretary RIBICOFF. Well, the Office of Education is in the process of a study now of some organization changes, and I am waiting for Dr. McMurrin to complete them and talk to me about them. But this is in the works.

We would like to make certain other changes—off the record.
(Discussion off the record.)

Mr. FOGARTY. Back on the record.

Now, you have been studying some of the problems common to the Children's Bureau, the social security system, and vocational rehabilitation.

Mr. COHEN. Yes.

Mr. FOGARTY. What do you say about that, Mr. Cohen?

Mr. COHEN. We have taken action by the Secretary appointing a task force, under Miss Switzer's jurisdiction first to review the entire question of how to expand the rehabilitation of people on the welfare rolls. That is in process now.

We have had, secondly, very extensive discussions about how the public welfare program itself could expand in the rehabilitation field, and the administration is going to send some amendments included in the welfare bill to help in that direction.

Then, thirdly, we would have a series of explorations of how the revisions of the 1954 Vocational Rehabilitation Act, which certainly needs to be changed in a number of areas, if you are going to accomplish the objective that you spoke of earlier, of trying to reach this 200,000 goal, which was originally intended to be reached by this time.

Mr. FOGARTY. That is an old figure now; it is up around 250,000 a year.

Mr. COHEN. I have even seen the figure of 270,000. I do not think the present law, if I may put it this way, the 1954 law, is satisfactory to reach that goal in this decade, without amendments. If you want to achieve that goal, you will have to make a number of very basic legislative changes.

Mr. FOGARTY. After all if you keep holding back on the funds the Congress appropriates for training personnel, you will not reach it for a hundred years.

Mr. COHEN. Well that is the reason this year that we did make a recommendation. And as you pointed out earlier, the Secretary did propose, on the basis of the recommendation of the group that he appointed, of which I was the chairman, to go up to \$30 or \$31 million. And I think you are absolutely correct.

(Discussion off the record.)

Mr. FOGARTY. Back on the record.

Mr. COHEN. In connection with this, I have had extensive conversations with Miss Switzer about every one of the program elements that we discussed—the research and training.

Mr. FOGARTY. Your discussions with her and the Bureau of the Budget—

Mr. COHEN. Well, they have been very extensive with me.

I do not know the number of hours, but I have discussed with her the whole question of the legislative changes.

I have had extensive conversations with her and the State administrators on the rehabilitation of the disabled people under social security and under the public welfare, and the legislative changes to accomplish the objective that you have in mind.

ORIGIN OF PUBLIC HEALTH SERVICE STUDY

Mr. FOGARTY. What is this study of the Public Health Service? How did it originate? Whose idea was it?

Secretary RIBICOFF. Well, I think—Luther Terry came to me and said that he had felt the whole problem of pay scales in the Public Health Service were unrealistic and he would like a complete study on this.

STUDY OF PUBLIC HEALTH PAY SCALE

Mr. FOGARTY. About the pay scales?

Secretary RIBICOFF. The pay scales of the Public Health Service.

Mr. FOGARTY. All I know is that it is a study of the Public Health Service.

Mr. KELLY. The study relates to the field of personnel, and it recognizes that we have the problem of several personnel systems, the so-called 208(g) jobs—the scientists' pay scale, the commissioned officer system, and the Civil Service Commission system.

The problem is how do we recruit and retain in the Service the best qualified people.

Today I think the Public Health Service has some extremely talented people. But as you look at charts that forecast the date on which these people reach the age at which they can retire, or at which they may retire, you are looking forward to a period when the Public Health Service does not appear at the present time to have the resources to carry on the kind of competency it has today.

You have the problems that the commissioned officers are not interchangeable, for example, with the 208(g)'s. You have the problem of salary levels—that competition from outside is so great that it is attracting some of our most talented people out of the Service.

So the Surgeon General asked that this study be organized and give recommendations to him and the Secretary and the President as to the kinds of changes that could be made in their personnel policies that would make the Public Health Service a more attractive place to work.

STUDY OF THE MISSION AND ORGANIZATION OF THE PUBLIC HEALTH SERVICE

Mr. FOGARTY. Do you recall another study that was made under Dr. Burney, called a study group on mission and organization of the Public Health Service?

Mr. KELLY. Yes, sir. This is one that related to the basic suggestion that we create a Bureau of Environmental Health and a Bureau of Community Health in lieu of the present Bureau of State Services, among others.

It also recommended a significant number of changes to strengthen the Office of the Surgeon General in its programing and program planning.

Mr. FOGARTY. This final report came out June 7, 1960.

IMPLEMENTATION OF RECOMMENDATIONS

Have the recommendations of this report been put in effect?

Mr. KELLY. A great number of them have, yes, sir.

Mr. FOGARTY. What are they?

Mr. KELLY. Well, although legislation has not been enacted authorizing the establishment of an additional bureau, within the Bureau of State Services, we have grouped together the community health programs separate from the environmental health programs.

From an organizational standpoint, the most significant organizational change proposed was the creation of a separate bureau. And pending that, we have so organized the activities as to most nearly accommodate it.

We have also established the Office of Health Statistics, which combines vital statistics and the health survey under one organization.

We have modified the organizational structure of the Surgeon General's Office so as to give him greater strength in the areas of program planning.

And we have regrouped the international health activities under an Assistant Surgeon General, reporting directly to the Surgeon General, and moved the defense mobilization program into the Surgeon General's office.

Mr. FOGARTY. You have accomplished something.

Mr. KELLY. Yes, sir. I think they are significant.

ENVIRONMENTAL HEALTH CENTER

Mr. FOGARTY. What is the status of the Environmental Health Center?

Mr. KELLY. You recall that last year the President did submit a supplemental too late to be considered by the House.

Mr. FOGARTY. Yes.

Mr. KELLY. It ran into difficulty in the Senate on location and land value.

The President has reflected in his budget that he will submit a supplemental for 1962. Now—

Mr. FOGARTY. Why did you not get that in the 1963 budget?

Secretary RIBICOFF. A Committee was appointed under Dr. Gross of Duke University. We were not sure of what should happen with this Environmental Health Center, where it should be, and what its mission should really be.

Mr. FOGARTY. I see.

Secretary RIBICOFF. The question was: Should it be in the Washington area or should it be somewhere else in the country?

The Gross Committee reported back that they believe that it should be in the Washington area. It has gone to the President's scientific advisers, and they are looking at that report, and no basic decision has been made on that report yet. I think this is the situation. But it is expected to be very soon.

Personally, I think the question of environmental health is most important, and I would like to move ahead on it.

Mr. FOGARTY. I might hazard a guess on it that, if you had come up here in time last year, that might have been a reality now.

Mr. KELLY. May I agree with you and say, sir, that we did all we could to make that possible, but were a little late.

Secretary RIBICOFF. We found a a lot of resistance to this in the Budget Bureau. There is always, I guess, a lot of resistance to this.

Mr. FOGARTY. When did the Gross Committee report?

Secretary RIBICOFF. Very recently.

Mr. FOGARTY. Not in time to get this in the budget?

Mr. KELLY. We did get an agreement that there should be an environmental health center. We got agreement that administrative type activities at least should be in the metropolitan area. Therefore, we did get agreement that the President would submit a supplemental. But the size and scope we have not yet got agreement on.

Mr. FOGARTY. Do we need legislation to establish an environmental health center?

Mr. KELLY. No, sir; I do not believe so. The Public Health Service Act authorizes creation of stations with the approval of the President. There is adequate authorization on which an appropriation can be granted.

TYPE OF PROPOSAL

Mr. FOGARTY. What kind of a facility will it be?

Secretary RIBICOFF. Well, I would envisage it as an institution with easy access to Washington, in which all the problems of water, air, radiation will have an opportunity to be studied and coordinated. And not only study methods and research, but also as a training center for people in this particular field.

Mr. FOGARTY. Do you think it would take in air pollution and water pollution and radiological health?

Mr. KELLY. Yes, sir. It is the view of the professionals in the field—and this is what we are working with now—that if you can put together the administrative organization, the research organization, the technical assistance organization, and the training organization, that they each assist each other in the performance of their overall mission.

Secondly—

Secretary RIBICOFF. They have much in common.

I do really think, Mr. Chairman, that there is something in common with all of these, and we ought to look at American society in these phases as a unit.

ROLE OF AEC AND PUBLIC HEALTH IN RADIOLOGY

Mr. FOGARTY. Is there any problem between AEC and your group on including radiological health in your environmental health center?

Mr. KELLY. Basically, I think not; although there may be in degree. The Budget Bureau was somewhat concerned as to the number of people in this field and how you define their roles. On the basis of the activity that we carry out now, I think there is no question that AEC knows what we are doing and we know what they are doing. And there is not a large enough activity in either that you can say they overlap.

The Budget Bureau wants the eventual lines drawn so that they will not eventually overlap, and have asked the Secretary, as Chairman of Federal Radiation Council, to undertake a study of this.

Mr. FOGARTY. That apparently has not really been cleaned up yet; has it?

Secretary RIBICOFF. No, sir.

PROGRAM TO BE CARRIED ON BY THE ENVIRONMENTAL HEALTH CENTER

Mr. FOGARTY. Now, the Gross committee recommended against the categorical approach in environmental health.

I would think that the voluntary groups would insist, as they have in the past, in making up this budget on a line item basis, with each category set out separately.

Mr. KELLY. As I would understand that, in the environmental health center we would develop research programs and training programs and technical assistance programs in air, water, radiation, health, and occupational health. But in addition to these divisions, the Bureau Chief or the head of the environmental health program would be provided with a scientific group on research, development, and programing. This would assure that the information learned in one area, say, about one kind of contamination was made known to another. Also that certain kinds of research would be done on a task force basis where the people on air and water, for example, would participate together in the examination of the same problem, in order that you could get a coordination of them. This would not be dissimilar to that which is done in the National Institutes of Health, although organized by disease category.

We have a substantial amount of coordination between them in order to assure that each profits from the work of the other.

TENTATIVE PROGRAM FOR PLANS AND SPECIFICATIONS

Mr. FOGARTY. How much would you need in 1963?

Mr. KELLY. Well, we are——

Mr. FOGARTY. For your plans?

Mr. KELLY. We are in the process now of trying to firm up on a site which we would bring before you. If the site was at \$3,000 an acre, which was the value when we discussed it last year, it would take approximately \$2,761,000 in addition to the \$285,000 we now have available for the planning. That would permit us to acquire the land, would permit us to have architects, lay out a master site plan, and then make a contract with the architects for the detailed planning of phase 1.

We envision a plan which would use about 440 acres of land. It would permit us to lay out a master plan that would be susceptible of housing about 5,400 people.

But the first phase would be designed to house 1,665 people. And if the need developed, then it could be expanded in accord with a master plan.

Mr. FOGARTY. How long will it take to complete the first phase?

Mr. KELLY. Plans and specifications probably could be finished in the fall of 1963. And the building itself, the first phase, would not be completed until sometime in the latter part of 1965.

Mr. FOGARTY. That is just one building, phase 1?

Mr. KELLY. No, it would be in multiple buildings. The phase 1 would probably involve about six separate buildings, depending on how the architect envisions it. As we envision it this would be in a campus-type arrangement with eventually a separate building for water, a separate building for air, a separate building for radiation, occupational health and administration building. And then you have the buildings that house animals and the heating plant and this kind of thing.

Mr. FOGARTY. I interrupted you, Mr. Secretary, when you were giving us the estimates for new legislation you are proposing.

PROPOSED LEGISLATION FOR AID TO HIGHER EDUCATION

Secretary RIBICOFF. The estimated expenditure in 1963 is \$28 million. Our new obligational authority is \$332.2 million.

Mr. FOGARTY. This would authorize \$300 million annually for 5 years for facilities loans?

Secretary RIBICOFF. That is right. What is on the floor of the House is \$180 million in grants and \$120 million in loans?

Mr. FOGARTY. 180 and 120?

Secretary RIBICOFF. 120 in loans.

Mr. FOGARTY. All right. Go ahead.

COST OF OTHER PROPOSED LEGISLATION

Secretary RIBICOFF. The Education and Quality Improvement Act has an estimated expenditure in 1963 of \$40 million while new obligational authority is \$120 million.

The reduction of adult illiteracy program has an estimated expenditure in 1963 of \$3 million, while new obligational authority is \$5.4 million.

The Health Professions Education Assistance Act has an estimated expenditure in 1963 of \$9,300,000. New obligational authority is \$34,400,000.

Health insurance: The health insurance for the aged does require appropriations, because that comes out of the contributions by the employer, the employee, and the self-employed.

Public welfare services, rehabilitation, training, and prevention of dependency: Total estimated expenditure and new obligational authority in 1963 is \$93 million.

Grants and contracts for research relating to maternal and child health and crippled children services: Total estimated expenditures in 1963 is \$2,095,000, while new obligational authority is \$2,100,000.

Funds for assistance and resettlement of Cuban refugees: We have a total estimated expenditure and new obligational authority of \$45 million.

National Institute of Child Health and Human Development have an estimated expenditure in 1963 of not to exceed \$1 million, since no new program authority is asked.

The polio and other vaccination assistance has an estimated expenditure in 1963 of \$9,501,000, while new obligational authority is \$13,175,000.

The Air Pollution Control Act would have an estimated expenditure in 1963 of \$2,830,000, with new obligational authority of \$2,870,000.

The vocational rehabilitation for peacetime ex-servicemen would have an estimated expenditure in 1963 of \$10,800,000.

The Food, Drug, and Cosmetic Act amendments would have an estimated expenditure in 1963 of \$1,954,000, including \$243,000 covered by fees, while new obligational authority is \$2,383,000, including \$296,000 covered by fees.

This covers the costs of the new programs.

RESPONSIBILITY FOR WATER POLLUTION CONTROL PROGRAM

Mr. FOGARTY. Getting back again to environmental health, you did have a change in the top responsibilities for water pollution control programs.

Secretary RIBICOFF. That is right.

Mr. FOGARTY. What has happened?

Secretary RIBICOFF. What we did, we put Assistant Secretary James Quigley in charge of the program working directly under me. The carrying out of the program and its operation would still be under the Public Health Service. However, the feeling has been that there should be greater impetus and more direction closer to the Secretary, and this has been moved up to the Assistant Secretary's level with Mr. Quigley sitting as Chairman of the Advisory Committee, and he is there to see to it that the program is coordinated and executed, and if there are any problems develop, to take them right up with me.

Mr. FOGARTY. How is it working out?

Secretary RIBICOFF. Well, it has just been going, as a matter of fact, for about a month. I think it started in December. And so far he has not involved me with any problems.

Mr. FOGARTY. So you are assuming it is going along all right?

Secretary RIBICOFF. Yes, I am assuming it is going along all right.

Congressman Blatnik and Congressman Dingell have been interested in this program, and many voluntary groups. And in conversation with them, I told them that I would like to see this work for 6 months or so and see how things go. If it does not work out, we will try to do something different. But it is my hope that it will work out.

Mr. FOGARTY. I see.

POSITION OF THE CHILDREN'S BUREAU IN THE DEPARTMENT

Now as our report on the 1962 bill pointed out, Mr. Secretary, at page 38, it has been suggested to every Secretary of the Department of Health, Education, and Welfare and every Administrator of the Federal Security Agency that it is wrong to relegate the Children's Bureau to a third-level position:

The committee strongly feels that the responsibilities and the activities of the Children's Bureau are of sufficient importance to warrant placing it on a level directly below the Secretary, rather than being just another office in the Social Security Administration. The Secretary has always had the authority to make such an organizational change and give the Children's Bureau the recognition that it deserves.

Has anything been done about this recommendation?

Secretary RIBICOFF. Let me first say this: Let me back into this. First, the Children's Bureau is being given a lot more responsibility.

In our new welfare programs, that the President will send up to Congress on Thursday, much more is being done and much more responsibility is being given to Children's Bureau.

Furthermore, the budget requests \$25 million for child welfare grants, up to \$18.6 million, the largest increase in a year. The total program will keep on strengthening year in and year out during the next 10 years, working up to \$50 million a year.

Now to go to your recommendation about its activities, let me be very frank with you. Almost all of my energies, outside the day-to-day operation of this Department, have been given to the reorganization of the welfare program. I think I told you last year—I know I told the Finance Committee and the Ways and Means Committee—that once Congress went home, that this would be given my No. 1 priority; and it has.

And I do believe that we finally will have reform in the operation of our welfare laws that will have meaning for this country, including the Federal Government and the States. I have not had the opportunity as yet to do this with respect to the Children's Bureau.

It would be my hope—and I would put it on record—that the Children's Bureau will be given the same type of attention next year that welfare was given this year.

FIFTIETH ANNIVERSARY OF THE CHILDREN'S BUREAU

Mr. FOGARTY. I was hoping you might do something for them this year. It has been brought to my attention that they celebrate their 50th anniversary this year.

Secretary RIBICOFF. That is right.

Mr. FOGARTY. The Department of Labor is going to have quite a celebration, I understand, on their 50th anniversary. The Department of Agriculture is celebrating their 100th anniversary, and I think they received an appropriation to help celebrate the anniversary in a proper manner.

I think the Children's Bureau is being left out, as much activity as there is going on with these other celebrations. They have done some wonderful work over the past 50 years.

Secretary RIBICOFF. I think they will be noted. I think sometime in April there will be a lot of——

Mr. COHEN. April 9.

Secretary RIBICOFF. Is that the date, sometime in April?

Mr. COHEN. Yes.

Secretary RIBICOFF. What will happen this year, has real meaning, not only in title, but actual work and direction. I would be frank with you. I have not been able to give this the same attention that I have given the welfare program, which has taken a great deal of my time. It has been a long, arduous task to put together the welfare program. I could not do both at the same time.

Mr. FOGARTY. I think we should give them the same recognition that the Office of Vocational Rehabilitation and Office of Education enjoy. It seems to me the Children's Bureau is being left out in the cold.

Mr. COHEN. Mr. Chairman, we definitely have that April 9 date in mind, and in these recommendations that the Secretary has made to the President, which he should be sending to the Congress this week, a very extensive increased actual operating responsibility is being given to the Children's Bureau. We are recommending a doubling of the money for the child welfare services over the next 7 years.

The additional authority for funds for day care, more effective coordination of several services between the Children's Bureau and the aid-to-dependent-children program, additional new authority to train people in the child welfare program.

Because we thought, that these particular additions to program, which would be very beneficial to children, was something that we could indicate on the 50th anniversary greatly strengthening the Children's Bureau.

PROBLEM OF UNWED MOTHERS

Mr. FOGARTY. Have you given any thought to the problem of unwed mothers?

Mr. COHEN. Yes, we have. And the Secretary has just announced yesterday that we have designated a task force to study all of the various kinds of programs that the Bureau of Family Services and the Children's Bureau have been working on to see where our research grants and training might be emphasized to throw light on new knowledge and what might be done in that area.

Mr. FOGARTY. What do you think of the establishment of halfway houses for these, especially the younger unwed mothers?

Mr. COHEN. Well, my own personal thought on that matter is that the greatest problem that we have in this field is a problem of the unwed mothers, let us say, under the age of 17 or 19. And the suggestion that you make there is particularly important because you—

Mr. FOGARTY. It is not my suggestion. I have talked several times with Mrs. Archibald Silverman in Rhode Island who has been very active in the last couple of years trying to do something about this problem. She is one of the finest and most public-spirited persons I know.

I asked the question for the first time last year when the Children's Bureau was here.

Mr. COHEN. Yes.

Mr. FOGARTY. She has made a suggestion that we have a home in Providence. But it is kind of old and dilapidated, and she is getting very much concerned. I think everybody should be concerned about the number of teenagers that are unwed mothers in our communities. She believes in these Half-Way Houses, and she believes that most of these young girls could be rehabilitated.

Secretary RIBICOFF. I think she is right.

Mr. FOGARTY. And brought back into our society and get a good clean start in life, rather than go the other way.

Secretary RIBICOFF. Mr. Chairman, I think you are right. As a matter of fact, a study in New York over a long period of years has indicated that where special care and service has been given to these unwed mothers—the vast majority of them have not come back, or had a second illegitimate child, whereas other studies indicate, where there is no care and rehabilitation, they will come back and have more

illegitimate children. I think this is a program that is very well considered, and I think this committee should be commended for its concern. We are concerned with it. And we have a special task force now which I just announced yesterday to the State welfare administrators, to study this, this whole field. I think this is definitely worthwhile. And I would say that, in the next year, when you ask that question, there should be a definite program for submission to this committee.

Mr. FOGARTY. Mr. Secretary, I think you started to bring to my attention that you have suggested more funds for research and demonstration projects in this area.

Secretary RIBICOFF. Yes, I have.

The Commissioner of Social Security is establishing a work group to review the matter, see how much study is needed, to help combat illegitimacy.

But for research in child welfare funds, our request for 1963 is for \$795,000. In 1962 there was available for research and demonstration \$275,000. So you see that is a pretty substantial jump in this field.

I think your concern is very, very well taken. I think this is a grave problem in this country.

Mr. FOGARTY. In the small State of Rhode Island, in 1959, we had many more girls with this problem than most people realize.

Some of the problem, apparently, is that these unwed mothers have problems in their own parent relationships. Parents of these teenagers are named as a cause of illegitimacy.

Mr. COHEN. Of course, Mr. Chairman, about 20 percent of the aid to dependent children alone is where the child is the child of an unmarried mother. So that, in addition to the social consequences, the Federal Government and the States bear one-fifth of the cost in this present program.

Mr. FOGARTY. According to this article I have in Rhode Island, just in that small State, the bill amounts to about \$800,000 a year. And this home provides living quarters for just 100 girls. The girls rarely return to school. Some end up on relief. Is that right?

Secretary RIBICOFF. Yes. It is a very big and expensive problem.

Mr. FOGARTY. It is a lot bigger than anyone wants to admit, is it not?

Secretary RIBICOFF. Yes.

Mr. FOGARTY. People do not want to talk about it, do they?

Secretary RIBICOFF. Well, they talk about it; but try to do something about it, there is a reluctance. It is easy to inveigh against it. And of course you can contend with mothers, but the ones that become a lot of innocent victims are these children.

Mr. FOGARTY. But the big challenge here is to get them a job and get them back into society.

Secretary RIBICOFF. That is right.

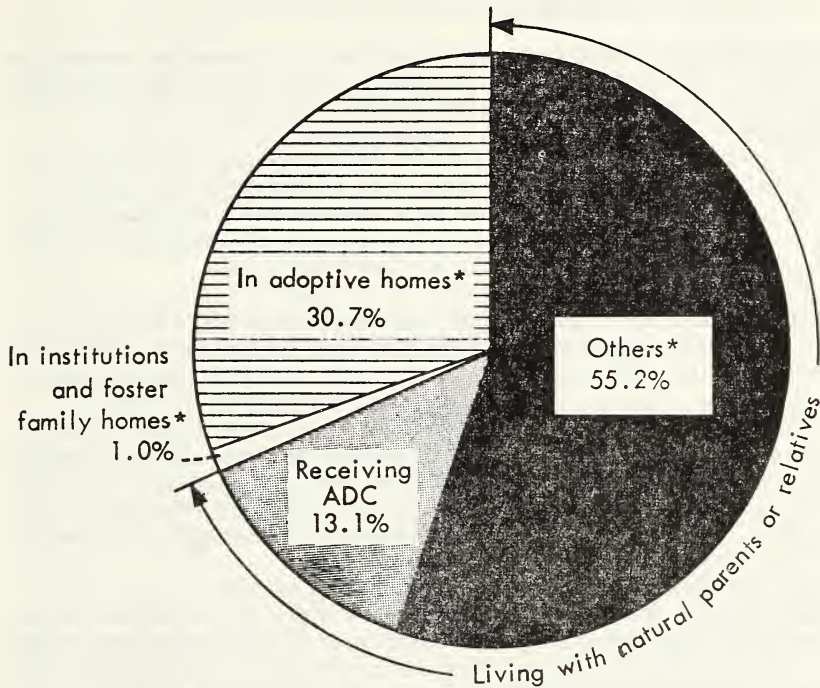
Mr. COHEN. Here is a chart that shows that and takes the whole problem of illegitimate children of the United States. Thirteen percent of them are in the aid to dependent children program, and about 30 percent of them are in adoptive homes, and about 55 percent of them are living with their parents or relatives.

Mr. FOGARTY. Put that in the record.

(The chart follows:)

MOST ILLEGITIMATE CHILDREN ARE NOT DEPENDENT ON ADC

ALL ILLEGITIMATE CHILDREN



MERGER OF HOWARD UNIVERSITY AND FREEDMEN'S HOSPITAL

Mr. FOGARTY. What happened to the merger of Howard University and Freedmen's Hospital?

Secretary RIBICOFF. Well, this is proceeding. There are agreements being drawn up to effect the merger. We are in the process now of drafting the transfer agreement which is required by the legislation. It is hoped that we can do this in the near future. The hospital will not be transferred until a later date, probably after construction has begun.

Of course, a \$250,000 supplemental appropriation was also approved at the last session of Congress to provide funds for Howard University to initiate planning of a new teaching hospital. This planning is in its preliminary stages, and the university hopes to complete its program plans for the new medical center sometime this spring.

So, basically, we are in the situation where, when you consider when the legislation was passed, we are proceeding as fast as we can to effectuate what has to be done legally to bring these two institutions together.

Mr. FOGARTY. When will the hospital be completed?

Mr. KELLY. It will take somewhere between 4 and 6 years before you will actually have a hospital to move into. I would guess 5 years from the date on which you made the \$250,000 available, or, roughly, the fiscal year 1966.

HOWARD UNIVERSITY 1963 BUDGET

Mr. FOGARTY. Now, I noticed in looking over the budget request for Howard University, salaries and expenses, they ask for \$7,900,000 for fiscal 1963 and you allowed them \$7.7 million. You cut them \$200,000.

Secretary RIBICOFF. There will be an increase in funds from non-Federal sources by increasing fees. Dr. Nabrit feels that in order to do a proper and qualitative job he is holding down the student body in certain schools. There will be an increase of non-Federal funds of about \$450,000 as a result of an increase in fees.

Is that not right, Jim; is that how it goes?

Mr. KELLY. Yes. The budget has an increase in it of 56 positions and \$485,000 in appropriations to take care of the improved educational quality, with emphasis on research, and the library and the student aid.

The Department reduction of \$200,000 was really a deferral of certain of the rehabilitation projects for the physical plant. Because we recommended a substantial increase in maintenance staff. We wanted to see whether or not a substantial portion of this work could not be accomplished with the maintenance staff that was being put on. The university agreed to try on this basis.

Mr. FOGARTY. So this is satisfactory with them?

Mr. KELLY. Well, the Budget Bureau did make a further reduction in the staff, and they did not quite accomplish what we wanted to. But I think it is still a budget that is designed to both accomplish an educational program and help bring the physical facilities up to a standard.

Mr. FOGARTY. Is Howard fully accredited now in all its schools?

Mr. KELLY. Yes, sir. But as the Secretary pointed out, Dr. Nabrit has been reviewing, department by department, the educational programming in a couple of schools, including the engineering school. He has restricted the enrollment because he felt he was more interested in getting qualitative education for his youth than he was in increasing the quantity of the student body. And he is putting all of his efforts toward getting a high quality of educational programs throughout the university.

Also, he has, on his own initiative, increased the fees for students in order that he can provide a greater amount of student aid to those who are capable of going to the university, desirous of going, but who cannot afford to go.

Mr. FOGARTY. That sounds practical, too, does it not?

Mr. KELLY. I think he is doing a fine job.

THE FOOD AND DRUG STUDY

Mr. FOGARTY. Mr. Secretary, what about the food and drug study?

Secretary RIBICOFF. The food and drug study will probably be finished by April.

Mr. FOGARTY. Are you prepared to ask Congress for a supplemental if they report back that you should be spending several million dollars more in 1963?

Secretary RIBICOFF. I would want to see the study. And then again it is what I am allowed to do.

Mr. FOGARTY. Of course, this study is headed by a very conservative person, who served for many years as chief clerk of the full appropriations committee, as you know.

Secretary RIBICOFF. I hope the Budget Bureau will keep that in mind.

Mr. FOGARTY. What happens if he decides that they have too much money.

Could he do that?

Mr. KELLY. We believe our case is too good for that, sir.

Mr. FOGARTY. Do you know Mr. Harvey very well?

Mr. KELLY. Oh, yes.

Mr. FOGARTY. You have known him for many years?

Mr. KELLY. Yes, sir.

Mr. FOGARTY. He has had a pretty good reputation for cutting budgets over the years, from what I know of him when he was working for the committee.

Secretary RIBICOFF. It depends on who you are working for, I guess.

Mr. FOGARTY. He is a very able person. I think you picked a good man for the study. He is a real topnotch man. He knows government inside and out. He served as the chief clerk of the full committee for many years.

Mr. KELLY. He used to be the budget officer of the Federal Security Agency.

Mr. FOGARTY. Yes. I do not think you could have picked a better man.

THE GENERAL ACCOUNTING OFFICE REPORT ON THE FOOD AND DRUG ADMINISTRATION

Now, what about the last GAO report?

Mr. KELLY. Are you talking about the report that they made to you of selected significant audit findings?

Mr. FOGARTY. Yes.

Mr. KELLY. The first item that they cover in that report deals with the question of the several programs that deal with the preclearance of drugs, antibiotics, and biologics. The overall study that the Secretary has agreed to undertake has not actually been initiated yet. That would deal with certain programs in the Public Health Service, such as those conducted by the Division of Biologics Standards.

But with respect to the programs that are conducted by the Food and Drug Administration, there were two independent groups that looked at the Food and Drug program, particularly the new drug applications and the antibiotics program. And in the legislative

proposals that the Secretary and Mr. Cohen referred to, they are recommending that those antibiotics which are not now covered in the precertification program by legislation be covered so that all antibiotics require a preclearance arrangement.

And they state in the new drug field that, in addition to safety, that they have to be passed by the Food and Drug Administration as to their—what is the word?

Mr. FOGARTY. Efficacy?

Mr. KELLY. Efficacy.

The report deals with one other thing in the Food and Drug Administration, and that is a question of the amount of reserves which we have accumulated in connection with the programs such as antibiotics that we operate on a fee basis. They made a recommendation to us that we make a full disclosure to the committee of our plans for the use of those reserves. And we have done so. The justification for the Food and Drug Administration spells out the amount of reserves we have, the purpose for which we are holding them, and how we plan to use them. So that in the event that the committee feels that our management of this income account is not appropriate, they can instruct us as to any change we should make.

It was the feeling of the General Accounting Office that the reserves were perhaps excessive. But when we took into account the cost of moving into the new building and providing laboratory and equipment for that part of the program covered by the fees, we thought it appropriate that we accumulate the reserves for that purpose.

We also feel that it is appropriate that we have reserves to pay for terminal leave in the event of the termination of that fee program.

I think that we have met the requirements of the General Accounting Office on that and have met the requirements of the General Accounting Office on the review problem as it relates to Food and Drug, but we still have a job to do on the study of the interrelationship of Food and Drug and PHS. And this is planned to go ahead.

FEDERAL SCHOOL CONSTRUCTION GRANTS

Mr. FOGARTY. Now, what about the need for adequate documentation of applicants' eligibility for Federal school construction grants?

Mr. KELLY. On this one, Mr. Chairman, we made a change in procedure in the Office of Education, at the time we received the draft report. At that time we were recommending that that part of the legislation not be extended but said that, if it were extended, we would further tighten up the regulations. The Congress did extend it, and we issued new regulations for it.

Now, I am not sure that these new regulations will adequately satisfy the General Accounting Office. I think they are a tightening up and an improvement.

But this area of measuring the impact of Federal activity that is carried on through contracts as distinguished from being the impact of direct Federal employees is a very difficult problem to measure. However, the amount of the total program, Public Law 815, that goes into this particular area, is a very small amount. At one time it was large, but today there are very few projects that qualify under that provision of the law. And we believe that the regulations as we

have now issued them constitute the intent of Congress as to who should benefit in that section of the law.

Mr. FOGARTY. So far as you know, the thing has been straightened away?

Mr. KELLY. Yes.

AMOUNT OF APPROPRIATION FOR ENVIRONMENTAL HEALTH CENTER, 1963

Mr. FOGARTY. If this committee saw fit to appropriate \$2.5 million for the environmental health center, Mr. Secretary, would you look with favor on it?

Secretary RIBICOFF. Yes, I would.

Mr. FOGARTY. That would not unbalance the budget, would it?

Secretary RIBICOFF. Well, I do not think \$2.5 million will unbalance the budget. I think you can pick it up in other items.

Mr. KELLY. The budget does anticipate \$2 million. It just has not as yet been submitted. But we are in hopes of an early submission.

Secretary RIBICOFF. May I say that I have been, right from the very start, very sympathetic to the environmental health center.

Mr. FOGARTY. I know you have.

Secretary RIBICOFF. I still am, and always have been. And there have been many studies and many urgings—at one time it looked like that was going to die, and this is one idea which I think is absolutely essential.

Mr. FOGARTY. When do you think the Bureau of the Budget will be getting around to sending up their request? They have had a long time to look this thing over.

Secretary RIBICOFF. Well, I do not think they should take too much time. And as a matter of fact, if I could go back and tell them that you were sort of concerned and upset that they are taking so much time, it would help our cause a little bit.

Mr. FOGARTY. You can use much stronger language than that, if you know the words to express it.

Secretary RIBICOFF. I do, sir.

Mr. FOGARTY. I cannot speak for the entire committee, but for myself I think they have been dillydallying along with this too long already.

PROGRAMS FOR THE AGED

Now, what about a program that I have been asking questions about for 10 or 12 years—the aged? When are you going to have a really good program for those people?

Secretary RIBICOFF. I think we have started under Don Kent a very aggressive program under an aggressive leader who works with a completely free hand for the Secretary. He has been studying the Conference recommendation and developing legislation to carry them out.

The 1956 amendments to the old-age and survivors disability program; Community Health Service and Facilities Act of 1961; the Area Redevelopment Act provisions for training and subsistence. Still pending are other legislative proposals.

Now, administratively, we want to get results. One important task was the problem of getting out the results of the White House Con-

ference. Thirty-seven separate publications have been issued. A national meeting of State officials in aging has been held. And in cooperation with the Office of Education, seven universities have held regional conferences to develop action programs on education for aging.

There have been various administrative actions to focus responsibility for and elevate the status of the programs of aging.

Finally, an action in which you played a major role—the passage of a supplementary appropriation to strengthen the special staff on aging will increasingly enable us to assist in achieving for the Nation's older people the kind of well-being and fulfillment which is their due.

Now, there are now 32 permanent State agencies in contrast to the 20 in preconference days; that is, there are 32 State agencies. The further enlargement of this number is one of our chief goals.

Many followup conferences of both State and local levels have taken place. I have called on regional representatives on aging for a report on the programs. Just yesterday I have addressed a letter to the Governors of the 50 States, asking them to send to Washington representatives from their States to go over with us this entire problem.

Our staff, under Don—have you got the size of that staff?

Mr. COHEN. There were 14 new positions authorized under the supplemental, 7 in the field of professional and 7 clerical-secretarial. And we have commitments on the professional now for four of the seven. And we have five of the clerical on a permanent basis, and two on a temporary basis.

We did have a good deal of difficulty finding the people we wanted. We offered several of those jobs to four or five or six people and got turned down, both because of the salary level and because people have other areas of interest out in the States.

But Mr. Kent had been very diligent about it. We now have two in the Information Branch who have already reported for duty—one for the Field Operations Branch, one in Research and Training that will report in March, and we hope to fill the other two as soon as possible.

ACTION ON REQUEST FOR PROGRAM FUNDS

Mr. FOGARTY. What did Mr. Kent originally ask of the Bureau of the Budget?

Mr. KELLY. In his supplemental request?

Mr. FOGARTY. Yes.

Mr. KELLY. I am going to have to act from memory, Mr. Chairman. My memory is we went over there with a request for 21 additional positions, and we came up to the Congress with a request for 18 positions. And we have an operating plan for utilizing 14 of those jobs that the Congress gave us, and we are requesting 3 additional positions in 1963.

Mr. FOGARTY. How much did you get; how much did the Congress give in that supplemental last year?

Mr. KELLY. They gave us the whole 18 positions as requested.

Mr. COHEN. Yes. I think \$145,000, if I recall correctly.

Mr. FOGARTY. And how much of it was put in reserve, if any?

Mr. KELLY. Well, I know it was four positions. I do not recall the amount. But out of the 18 positions, 4 were withheld.

Mr. FOGARTY. Percentagewise, that is a pretty good clip.

Mr. KELLY. Yes, sir. We had to save eight jobs in the Office of the Secretary. Four of them were in the special staff on aging.

Mr. FOGARTY. Four out of eighteen?

Mr. COHEN. I think, while there is a tremendous need there, Mr. Chairman, I might say I worked with Mr. Kent on trying to recruit some of these people—

Mr. FOGARTY. I understand he has had problems. But I think I am going to find the same fault I found with everybody over the past 10 or 12 years. I do not think you are going fast enough or far enough.

RECOGNITION IN BUDGET SCHEDULES

Now, it may be just a little thing, but the special staff on aging, on our request, was made a line item in your budget. This year it is lumped in with other things again. I thought that this was getting to be such a problem that we ought to at least give it that much recognition—making it a line item.

Who is doing this, the Bureau of the Budget?

Mr. KELLY. Mr. Chairman, we suggested that the 1963 budget consolidate the 18 aging positions in the field with the positions of the special staff on aging and be treated as a separate activity in the Office of the Secretary budget.

There was some question on the part of the Budget Bureau of the wisdom of doing this, and the agreement was that, since it could not be resolved before the budget came up, that it would come up in the form in which it came up, and that the Budget Bureau would provide the Secretary with a staff paper that explained their reasons. After he had read that and considered it, that he could then suggest to you putting it in whatever form he thought was most appropriate.

Unfortunately, we just received this staff paper, and we did not wish to take too fast an action on it. We have asked both Don Kent and Chet Lund to give us their views with respect to the Budget Bureau's staff paper, and by the time we appear on the Office of the Secretary, we will have a recommendation to you as to how it will be best shown in the budget.

STATUS OF THE SPECIAL STAFF ON AGING

Mr. FOGARTY. You gave me a breakdown but I have forgotten. About how many people have been added to the special staff on aging, and when were they added?

Mr. COHEN. I have here the two additional people in the Information Branch reporting to duty on January 29. One person has been recruited to the Field Operations Branch, reporting to duty in February. A fourth person on Research and Training Branch has been recruited and reporting to duty in March.

Those are the four professional positions in the increase.

Mr. FOGARTY. What year are you talking about?

Mr. COHEN. This year, sir. Right now.

Mr. FOGARTY. January 29, you mean yesterday?

Mr. COHEN. Yes, sir. Reported to duty yesterday. That is January 29—two of them.

Mr. FOGARTY. Well, I would not brag about that kind of action, would you?

Secretary RIBICOFF. Well, it is pretty hard to find people sometimes.

Mr. COHEN. I certainly would not brag about it, but I will say that Mr. Kent and myself interviewed quite a number of people. And there is just a scarcity of people in these fields, and the key people we wanted are either in charge of some operation in one of the State agencies and did not want to leave. I think part of it, it is a safe thing to say, as the Secretary stated, about the salary level. The key people who are good are doing as well or better where they are than what we can offer them.

Mr. FOGARTY. What are you going to do, give up?

Mr. COHEN. No, sir.

Secretary RIBICOFF. We are keeping on trying.

Mr. COHEN. We are keeping on trying. Mr. Kent is going ahead. I talked to him several times.

And we have now prepared a position description for each of these positions and we are advertising them and circularizing so we can see if we cannot get some more people interested in them. I think there is a great need in this area, and I would hope we could expand it.

Mr. FOGARTY. That is what I was hoping for, too, when Mr. Kent was named. I do not see that he is doing much better than those before him. There is, and has been, a lot of talk about this for years as you well know.

Mr. COHEN. Yes.

EXTENT OF IMPLEMENTATION OF RECOMMENDATIONS OF THE WHITE HOUSE CONFERENCE

Mr. FOGARTY. You have been talking about it, but as of today, the 30th of January, nothing much has been accomplished with that supplementary appropriation. That is a fair statement, is it not?

But the White House conference came up with about 600 recommendations, and how many of those recommendations have been put into effect?

Mr. COHEN. Well, I do not know the absolute quantitative numbers. We put in something in the nature of, oh, I would say 5 or 10 of them in the social security amendments of last year. And some of them related to recommendations to outside groups and voluntary groups. I would say a very small proportion of them have been implemented by the Federal Government.

Not all of them were to be implemented by the Federal Government.

Mr. FOGARTY. No, I know that. But the conference, as I remember the figure, made about 600 recommendations.

Mr. COHEN. Yes.

Mr. FOGARTY. There was a lot of talk at that conference about a blueprint for action.

Mr. COHEN. What we have done, of course, has been a continual exploration of this problem. Over on the Senate side, in connection with the Senate hearings, we have moved wherever there was some

legislative recommendations, like in the field of health insurance for the aged, or the social security, and we also have some improvements that relate to aging in our welfare bill; those are all elements of that 600.

ADVISORY COMMITTEE ON THE AGED

Mr. FOGARTY. Was there ever an advisory committee appointed?

Secretary RIBICOFF. No. An advisory committee has not yet been officially appointed, but—

Mr. FOGARTY. I think last August was the last time I talked with you.

Mr. COHEN. Yes.

Mr. FOGARTY. And you told me it was right around the corner.

Mr. COHEN. We have been clearing the people and discussing them. The Secretary has tentatively approved the list and those people are being cleared now. I would hope that we can formally appoint them very shortly.

Mr. FOGARTY. What do you call "shortly"; a month from now or next year?

Mr. COHEN. This year.

Mr. FOGARTY. Before the end of the year?

Mr. COHEN. Before the end of this year.

Mr. FOGARTY. The fiscal year or the calendar year?

Mr. COHEN. Fiscal year.

I think everything is set on that except for formal clearance.

FEDERAL COUNCIL ON AGING

Mr. FOGARTY. What happened to the Federal Council on Aging?

Mr. COHEN. The Federal Council on Aging has been more or less inactive, and I think it is Mr. Kent's intent to reactivate the Federal Council.

Mr. FOGARTY. Where are you going to get the money?

Mr. COHEN. Well, you are talking about the—

Mr. KELLY. This is financed, Mr. Chairman, by all of the participating agencies.

Mr. FOGARTY. Does it show up in anybody's budget?

Mr. KELLY. Only at the time it was originally put in. It is now just a continuing cost of operations. Therefore, there was no—

Mr. FOGARTY. There is nothing being done now, is there? They have not met in a long time?

Mr. COHEN. I think we have had one meeting. I think there has been one preparatory or one planning meeting to see what they worked out.

Mr. FOGARTY. This year?

Mr. KELLY. Mr. Kent has in mind, instead of having a special small staff as the Secretary to the Council on Aging, that they would merge it with special stuff on aging, and they would provide services to the Federal Council.

Mr. COHEN. I am reasonably certain he did have one meeting.

PROPOSED FEDERAL COMMISSION ON AGING

Mr. FOGARTY. As you know, I suggested something different a year ago. That was the establishment of an independent Commission on Aging. Are you still opposed to that approach?

Mr. COHEN. Yes, Mr. Chairman. We are not very favorably disposed to the idea of a Presidential commission as an administrative body, but we do feel that an advisory group to advise the Department, which would include representatives of the people who have been working in this field, would be desirable.

Both that and the continuation of the interdepartmental committee.

Mr. FOGARTY. Well, I just put in a bill today. I am sorry to hear that you are still opposed to it, but after hearing what little action has taken place this year in this field, I revised the one I put in last year. It is to establish a Federal Commission on Aging.

A hearing would not do any harm, anyway, would it?

Mr. COHEN. No, sir. We are looking forward to a hearing.

It is my understanding that that will be heard by a subcommittee of the House Education and Labor Committee; is that not right, Mr. Chairman?

Mr. FOGARTY. Yes.

Mr. COHEN. Mr. Bailey.

Mr. FOGARTY. I understand a similar bill is going to be put in the Senate, also.

Mr. COHEN. Well, we will look it over very carefully.

DEPARTMENTAL OPPOSITION

Mr. FOGARTY. That is fine. I will not have a copy of the bill until tomorrow.

But you are still opposed to it?

Mr. COHEN. We are opposed to an administrative mechanism which puts operating authority into, in effect, an independent commission that is made up of people who would operate at the White House advisory kind of a level. I do not know of any kind of agency that would in effect make grants or have direction to give to executive departments that could work out of an advisory committee established by the White House.

It seems to me that that is a very, very unusual method of effectuating operations in the executive branch of the Government.

Mr. FOGARTY. Well, the thing I am after and have been after for 10 or 12 years is action.

PROGRESS IN HIRING STAFF

I was just amazed to find that the first man hired under last year's supplemental appropriation was put on yesterday.

Mr. COHEN. Well, that is not quite correct. We—

Mr. LAIRD. They've hired plenty of consultants?

Mr. COHEN. We hired some consultants. I do not have that with me. But these were the permanent ones I was given.

Mr. FOGARTY. I was talking about the permanent ones.

Mr. COHEN. Actually, you see, when you look at the money—that money was not available until when, Mr. Kelly?

Mr. KELLY. October.

Mr. COHEN. That money did not become available until October. And there really had not been much time to recruit people.

Secretary RIBICOFF. You see, one of the problems, you go to the universities here in October, men have got contracts and commitments with their colleges and universities, and it is pretty hard to get them to leave in the middle of the year.

Mr. LAIRD. You have been passing that money around, though. You have been looking for anybody who would like to do a little consulting work, have you not?

Secretary RIBICOFF. I have not. I know Mr. Kent is sincere and hard working and a self-starter; and I have the utmost faith in him. If you give Kent a reasonable period of time, he will have a staff that you will be proud of, Mr. Chairman. And I would like to see where Mr. Kent stands next September, frankly.

Mr. FOGARTY. You call a reasonable length of time——

Secretary RIBICOFF. Well, I would say that the moneys available in October, I would like to see the results next September 1.

Mr. FOGARTY. How long has Mr. Kent been on the job? How long has he been in office?

Secretary RIBICOFF. When did he come in?

Mr. COHEN. I think he came something like July 1. Then, as you know, that period of July and August we worked on the appropriation of the supplemental and the budget, and he spent full time justifying and getting it—did not get the money until October. And then he had meetings of all of his regional people. He brought them together to discuss that. He has had two meetings of technical advisory committees in the training field to develop recommendations. I think when he comes to report to you, you will find that he certainly has been very diligent in developing what he hoped would be an effective plan.

As the Secretary stated, I hope you will wait until he has an opportunity to appear before you, Mr. Chairman.

Mr. FOGARTY. Oh, I will. He will be given every opportunity, of course. He will not be shut off. He can talk as long as he wants to.

But from what I already know, I am still afraid I am going to be disappointed in the action so far.

REGIONAL PERSONNEL

Last year Congress allowed \$40,000 for one additional secretary in each regional office whose primary responsibility would be to serve the regional representative on aging. Has that been done?

Mr. KELLY. It has been done in all but one region, sir. One region, because of the overall reduction that we propose, one job is not being filled.

Mr. FOGARTY. What region?

Mr. KELLY. I do not recall, sir, but I will find out at the Department.

(The region was Denver.)

Mr. FOGARTY. When we were in San Francisco, I know they did not have one at that time. That was in November?

Mr. KELLY. I do not know whether that was the region that did not get it or whether the job happened to be vacant at that time there.

But we have provided in eight of the nine regions for that secretary. And the other one was because of the overall reduction.

Mr. COHEN. One of our problems, for instance, Mr. Chairman, was exactly in that region. We had regional representatives there that I considered the best representatives in the country on this, the most effective person in the country on stimulating local community action. I myself talked with her at least four times, and she has—I am talking about a professional person—she has refused the job for that region. I am very much distressed, because if she would have taken that job, I think we could have accelerated the work of that whole area.

Mr. FOGARTY. At the time we were there a woman was trying to send out some cards. She had stacks and stacks of cards, and the only way she could get them out was to depend on volunteers to come in and help. That is a poor situation.

Mr. COHEN. The professional woman was, in my opinion the most competent one that we had in the country, and I am very much distressed that we have lost her. But that is the way it has been in this thing.

Mr. Kent and I tried to get a deputy for him. He and I talked with two of the outstanding State people in the country that we thought could do the job. That took several weeks in discussions. We have not been able to entice them to come with us.

Mr. LAIRD. She probably got tired of addressing cards, Mr. Chairman.

Mr. FOGARTY. I do not blame her.

Mr. COHEN. I think as far as this field, and Mr. Kent and I have gone over it, the most important area is training personnel. I think there is a tremendous shortage of personnel.

Mr. FOGARTY. But your budget does not reflect that. You cut down on training. You put funds for training in reserves this year.

Mr. COHEN. Well we do not have any authorization in this area, though, for training.

Mr. FOGARTY. You are not treating training very well in the 1963 budget where it is authorized.

OBJECTIVES OF BILL TO ESTABLISH COMMISSION ON AGING

The objectives of the bill I have just introduced are:

(1) An adequate income for retirement and health, honor, and dignity;

(2) Equal opportunity to employment;

(3) The best possible physical and mental health;

(4) Suitable housing;

(5) Services to achieve independent living;

(6) Full opportunity for meaningful activity;

(7) Efficient coordinated community services when needed;

(8) Immediate benefit from proven research knowledge;

(9) Freedom, independence, and free exercise of individual initiative; and

(10) The right to consideration of their needs and potentials without fragmentation.

Do you find any fault with any of those objectives?

Secretary RIBICOFF. No, sir. I think they are good and worthy.

Mr. FOGARTY. Are there a couple I left out?

Mr. COHEN. There are a couple you left out.

Mr. FOGARTY. What are they?

Mr. COHEN. I am looking at my version of such a draft.

Did you mention trained personnel to carry out these objectives? I do not recall.

Mr. FOGARTY. What is that again?

Mr. COHEN. I have trained personnel to carry out above objectives.

Mr. FOGARTY. I think that is a good idea. I think I will add that to mine.

Mr. COHEN. Did you have: Suitable housing, the costs of which older persons can afford?

Mr. LAIRD. You are talking to the right man, Mr. Chairman, to give suggestions on how to spend money.

Secretary RIBICOFF. Off the record.

(Discussion off the record.)

Mr. FOGARTY. We will have to come back at 10 o'clock in the morning.

WEDNESDAY, JANUARY 31, 1962.

Mr. FOGARTY. The committee will come to order. We will continue with Secretary Ribicoff this morning.

Mr. Secretary, I mentioned before we started the meeting that I had read in the papers a couple of weeks ago of some survey that had been made—I thought it was in the State of Michigan. I meant to cut it out. You do know of such a survey?

PUBLIC ACCEPTANCE OF HEALTH, EDUCATION, AND WELFARE PROGRAMS

Secretary RIBICOFF. Yes. As a matter of fact, I have a copy of it. I will have my office try to get it up to us right away.

The University of Michigan has a survey report center which is regarded very highly throughout the United States. From time to time they make public opinion surveys on basic issues facing the American people.

Mr. FOGARTY. I won't ask any questions about it until we take a look at it. From the headline, as I remember it, health, education, and welfare were three of the most popular programs in the country as far as the people are concerned.

Secretary RIBICOFF. That is right.

Mr. FOGARTY. Education was first.

Secretary RIBICOFF. Education was first, which is a little surprising to me, because my own personal opinion is that the most popular issue is medical care for the aged under social security. From my own personal surveys and from the reactions across the Nation, I would say that came first.

The Michigan survey, I think, put educational problems before even medical care for the aged. I think the survey also indicates a willingness on the part of the American people to pay more tax money to get these services.

Mr. FOGARTY. That has been demonstrated before, in the Gallup polls a couple of times, that the American people are willing to pay

for Federal programs in these fields. From all the people I talk with at home, they seem to agree that we ought to be going ahead.

I am not known as an economizer back home in these fields—or in Congress, either, I guess. Is that right, Mr. Laird?

Secretary RIBICOFF. Mr. Laird keeps coming back, too, and I am sure he makes economy speeches in Wisconsin, and you don't in Rhode Island. He keeps coming back and you keep coming back, which indicates there are a lot of factors that make up what brings a man success before the people.

Mr. FOGARTY. That is what makes America.

Mr. LAIRD. I notice you have been making a few economy speeches lately, though, Mr. Secretary—one of the first Cabinet officials to make a strong economy speech.

Mr. FOGARTY. But we have been able to work together and keep politics out of this committee and keep the committee out of politics. I think we will be able to continue to do that.

I will turn this over to our distinguished ranking minority member, the very able gentleman from Wisconsin, Mr. Laird, who knows more about these programs than I do.

Mr. LAIRD. That isn't true; but I thank you very much, Mr. Chairman.

FEDERAL AID TO EDUCATION

Mr. Secretary, yesterday in the House of Representatives we passed one of the legislative requests which you outlined in your statement of yesterday. This particular piece of legislation provides aid and assistance to colleges and universities throughout the United States in the way of construction funds. This will make Federal assistance available to private, parochial, and public schools of higher education.

CONSTITUTIONALITY OF FEDERAL AID

Last year in the testimony before the committee, you indicated it was your opinion and the opinion of your legal staff that such aid at the secondary level would be unconstitutional.

I would like to get clear in my own mind what distinction you make between the area of primary and secondary education and this whole field of higher education.

Secretary RIBICOFF. I would say, Mr. Laird, that part of it is historical and part of it is practical. In the field of elementary and secondary education that education is compulsory. In the primary and secondary grades, in parochial schools religious instruction is part and parcel of the day-to-day curriculum. It is in the curriculum.

Basically, on the college level, the university level, education is not compulsory. I mean, the young boy or girl doesn't have to, by law, go to college. Usually in most States you have to go to school until you are age 16. You have to get a public school education or its equivalent in the private or parochial schools.

Furthermore, it is assumed that at the college and university level, religion is not an important factor in the school curriculum. It might be an incidental factor, but it isn't an important factor.

Furthermore, traditionally, higher education developed in the United States on a denominational basis. Education developed with church schools. I believe the first colleges that were founded in the

United States were Congregational—Yale, Harvard. They were originally founded on a denominational basis.

Today I believe—correct me if I am wrong, Wilbur—about two-thirds of the colleges and universities are private, although about 60 percent of the college students go to public institutions. Numerically the private colleges and universities overshadow the public; but studentwise, more go to State and public universities than go to private.

Also, over a period of years in measure after measure, the Congress has passed various bills in the forms of giving grants—scholarships under the G.I. bill, the veterans' bill—to colleges and universities without making any distinction as to whether they be private or public.

So, while some people raise the question, I don't believe the question is pertinent; and I have always contended there is no restriction in the Constitution in giving this aid to our colleges and universities.

May I at this time insert in the record the brief on higher education, which begins at page 24—"The Constitutionality of Federal Aid to Education in Its Various Aspects." This sums up the differentiation between higher education and elementary and secondary.

Mr. LAIRD. That is up to the chairman.

Mr. FOGARTY. Yes.

(The brief referred to follows:)

V. HIGHER EDUCATION

This memorandum has discussed first amendment principles, relevant judicial decisions, and criteria for determining the constitutionality of specific legislative proposals all in the context of elementary and secondary education. Since proposals are currently being advanced in the field of higher education, it is appropriate to give consideration to the significantly different context in which any constitutional problem concerning these proposals might arise.

The constitutional principles involved are obviously the same whether the subject is elementary and secondary school education or higher education, but the factual circumstances surrounding the application of the principles are dramatically different. The reasons are largely historical.

The history of education in the United States at the grammar and high school level is largely one of free public schools. While private institutions exist and cannot be constitutionally prohibited, the fact of the matter is that some 85 percent of children in the United States are educated in public schools. The reason for this historically, lies both in the public policy perceived in educating children and in the implementation of that policy by making education at the lower levels compulsory. In order to compel the education of children, States were obliged to provide a system of education which was open to all. In addition, it was prohibited to the States to teach religion or to give a religious education in such schools. Whatever other courses might have, in theory or even in fact, been possible, the States chose to implement their policy by a system of free public schools.

The history of college and university education is almost precisely the opposite. While from a relatively early date the Federal and some State governments subsidized State universities and colleges, the bulk of advanced education has until recently been carried on by private institutions, the majority of which have a religious origin.

Primary schooling has long been accepted as essential for every American child, and secondary education is rapidly becoming recognized as almost equally a necessity. Attendance at a university or college, on the other hand, has always been a matter of individual decision, dictated or influenced by the circumstances and preferences of the individual child and his family. Even today fewer than

half of the high school graduates enter college on a full-time basis, and of these 41 percent are students in nonpublic institutions.¹

Reflecting these differences in history and practice, State laws everywhere require school attendance of all children for a substantial period of years, whereas, needless to say, there is no corresponding requirement at the college level. Those children whose parents so elect may satisfy the compulsory attendance laws by attendance at private schools, but they are still subject to compulsion once that election has been made. The election can be reversed if the parents wish to do so—if not immediately, then at the start of the next school term or year—but while the election stands, the child is not absolved from enforced attendance at classes, secular or sectarian as the case may be.

The position of the college student is very different. His attendance is wholly voluntary, not merely a choice between alternative commands of the State. He is mature enough, moreover, to have made the decision to attend college and to select the institution best suited to his career objectives, or at least to have participated intelligently in those decisions. Furthermore, he can better understand the significance of sectarian as compared to secular teaching. At some sectarian institutions he is not required to study religion, but if he chooses to do so, or chooses an institution where religious instruction is mandatory, he is merely asserting his constitutional right to the "free exercise thereof."

There are thus important differences between school and college, not only in terms of history and tradition but also in terms of the compulsory nature of attendance. There are differences, too, from the standpoint of the national interest involved. At the college and graduate levels the public institutions alone could not begin to cope with the number of young men and women already in pursuit of higher education, and expansion of these institutions or the creation of new ones sufficient to meet the expected increase of enrollment is out of the question. The effort which it is agreed must now be made in the field of higher education would, if confined to public institutions, force an evermore intensive selection of students and evermore concentrated effort to guide them into fields of study deemed important to the national defense and welfare. It would likely induce these institutions to overemphasize particular fields of study to the detriment of a balanced curriculum. Such warping of our educational policies is not to be contemplated lightly, and, to the extent that Congress finds it appropriate to encourage expansion of our university and college facilities, Congress must be free to build upon what we have, the private as well as the public institutions.

All these considerations indicate that aid to higher education is less likely to encounter constitutional difficulty than aid to primary and secondary schools. The same considerations apply even more forcefully to graduate and specialized education.

The administration bill to assist higher education authorizes loans to institutions, without distinguishing between public and private ones or between those under secular and sectarian sponsorship. It also provides for college scholarships awarded on a competitive basis. These scholarships may be used at any accredited college which the recipient selects. In addition, the bill provides for the payment to the college of a "cost of education" allowance to supplement the scholarship.

Governmental assistance directly to colleges for the construction and expansion of academic facilities perhaps raises, in the case of sectarian institutions, a closer constitutional question than scholarships. Fundamentally the distinction between assistance to sectarian colleges and assistance to sectarian elementary and high schools rests upon differences between the educational system which exists in the United States at the college and graduate school level and the predominantly free public educational system at the elementary and secondary school level. These differences create importantly different factual circumstances against which the criteria previously discussed must be considered to determine the constitutional question.

We are not, at the college level, dealing with a system of universal, free, compulsory education available to all students. The process is more selective, the education more specialized, and the role of private institutions vastly more

¹ The U.S. Department of Health, Education, and Welfare, Office of Education, estimates that of those who graduate from high school 43 percent enter college on a full-time basis and 10 percent on a part-time basis. Of those who do enter, approximately 60 percent eventually graduate.

important. There are obvious limitations upon what the Government can hope to accomplish by way of expanding public or other secular educational facilities. If the public purpose is to be achieved at all, it can only be achieved by a general expansion of private as well as public colleges, of sectarian as well as secular ones.

Loans for construction of facilities may be less constitutionally vulnerable than grants for the same purposes. But this distinction is not here the only one or perhaps even the crucial one. More important are the distinctive factors present in American higher education: the fact that the connection between religion and education is less apparent and that religious indoctrination is less apparent and that religious indoctrination is less pervasive in a sectarian college curriculum; the fact that free public education is not available to all qualified college students; the desirability of maintaining the widest possible choice of colleges in terms of the student's educational needs in a situation no longer limited by the necessity of attending schools located close to home; the extent to which particular skills can be imparted only by a relatively few institutions; the disastrous national consequences in terms of improving educational standards which could result from exclusion of, or discrimination against, certain private institutions on grounds of religious connection; and the fact that, unlike schools, the collegiate enrollment does not have the power of State compulsion supporting it.

All of the foregoing factors related to higher education are, of course, relevant to the scholarship grants. In addition, the decision as to which college is attended is entirely controlled by the student.

The additional cost-of-education grant paid to the institution is also, in effect, closer to a scholarship than a grant to support the institution chosen. Tuitions vary among colleges owing both to cost differentials and the size of endowment and annual private or public subsidy, but invariably the cost of education exceeds the tuition charged. It is to take account of this fact that the scholarship grant is supplemented by a cost-of-education allowance. In essence, it too is subject to the student's, not the Government's, educational choice.

The payment to the institution is in reality merely a supplement to the scholarship, no less valid constitutionally than the scholarship itself. To regard such payments as unconstitutional would make the question of who receives the payment the one decisive criterion and sacrifice substance to form.

Weighing all these factors, we conclude that the administration's proposals for higher education are within constitutional limits.²

GRANTS TO MEDICAL SCHOOLS

Mr. LAIRD. Yesterday in the debate on this bill it was made very clear that these funds would be available for medical schools; for the construction of classrooms and facilities in medical colleges and universities. It was made very clear by the chairman of the subcommittee—that this particular piece of legislation granted this type of aid to medical colleges.

Last week I testified before the Interstate and Foreign Commerce Committee, along with our chairman, in regard to another bill. With the legislative history that was made yesterday here on the floor of the House, it would seem that the bill we passed would take care of this need also.

Secretary RUBICOFF. I would say not, Mr. Laird. While the legislation that the House finally drew would not preclude the grants or loans to medical and dental schools, the intention originally of this administration in proposing this legislation was to take into account the general college facilities.

² It should be pointed out that decisions of the Supreme Court discussing other problems in the field of education have emphasized that different considerations apply to higher education as against elementary and secondary education. Contrast *Hamilton v. Regents*, 293 U.S. 245 (1934) (higher education) with *Bolling v. Sharpe*, 347 U.S. 297 (1954); *Brown v. Board of Education*, 347 U.S. 483 (1954); *Board of Education v. Barnette*, 319 U.S. 624 (1943) (elementary and secondary education).

We had a separate bill about which the chairman and I testified before the Interstate and Foreign Commerce Committee which would take care of the medical and dental schools, and schools of osteopathy. I would say it would be most unfortunate if the action of the House in any way were taken to preclude or would lead to frustrating the hearings now going on before the Interstate and Foreign Commerce Committee, because the needs of medical and dental schools are so vast and great, and the needs of college facilities are so great, that the amount of money that was passed by the House yesterday in my opinion is very insufficient to take care of both basic needs.

It would be my hope that Congress would pass the bill now before the Interstate and Foreign Commerce Committee. I would say, if it did, I would hope the administration's act would take into account that, Congress having passed a specific bill to take care of the problems of expanding medical and dental schools, that would indicate to the U.S. Commissioner of Education that the priority of this \$300 million should go to the general college facilities and not medical and dental schools.

I would hope that that would be the interpretation placed on it.

PROCEDURE FOR IMPLEMENTING AID TO HIGHER EDUCATION BILL

Mr. COHEN. Under the bill passed by the House yesterday, the way this would work is that the State has to set up a commission—I am speaking with respect to grants now. Then by the terms of the legislation, it has to—somewhat like under Hill-Burton—set up a priority system of projects, which might or might not be in the particular State, give the medical school or dental school a priority.

It would depend upon the State commission reviewing all of the educational—

Mr. LAIRD. It would depend upon the needs of the individual State.

Mr. COHEN. The individual State and their evaluation of what that priority was in terms of their total plan. So it is entirely possible, in a given State, that the medical school construction would not get in here. Or, as pointed out, it might. But that is subject to the State.

Mr. FOGARTY. May I ask a question here? I think you raise a very pertinent question. If this was made the intent of Congress in the debate yesterday, I would think it might hurt the passage of this legislation pending before the Interstate and Foreign Commerce Committee, which I hope the House will pass also.

I know in my State of Rhode Island, where we have several colleges, one wants to start a medical school this fall—Brown University. How would this affect them? There will be no competition with any other school.

Secretary RIBICOFF. I would say this. If your State commission wants to give its priority to Brown, it could out of the money allotted to Rhode Island.

However, if we pass, let's say, the medical and dental school bill, then Brown would apply for a two-thirds grant, which it would get; and then it would not be counted into the general allotment to Rhode Island for the expansion of your other colleges.

Mr. FOGARTY. The bill as passed yesterday provides for the construction of libraries.

Mr. COHEN. Yes.

Mr. FOGARTY. Most are in the process of building new libraries or expanding their existing libraries.

How would that allocation go in a State like Rhode Island? There wouldn't be much to go around, would there, as far as libraries are concerned?

Secretary RIBICOFF. It depends on what priority the State commission wants to give. We felt that each State is a better judge of its own priorities than we are.

Mr. FOGARTY. Would this be a new State educational commission set up by the Government?

Mr. COHEN. Unless they already had one. It says that—

any State desiring to participate in the grant program under this priority shall designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State, or if no State agency exists, shall establish such a State agency and submit to the commission the agency so designated or establish a State plan.

Mr. FOGARTY. That is what we have, a State agency.

Secretary RIBICOFF. So it would work under your existing State agency, Mr. Chairman.

Mr. LAIRD. In a State like Wisconsin where we have a State building commission, they could handle this program, couldn't they?

Secretary RIBICOFF. Do you have a State building commission which encompasses private and public?

Mr. LAIRD. This is just public.

Secretary RIBICOFF. Of course you have many, many private colleges in Wisconsin that would be eligible, too. I would say that the chances are your building commission may not be representative enough under this act.

Mr. COHEN. It says "representative of the public and of institutions of higher education in the State."

Secretary RIBICOFF. In other words, if none exists, I would imagine your legislature or the Governor would establish a State agency that would have representatives of your State institutions, representatives of your private institutions, and prominent members of the public who would be on the commission and make the determination.

We contemplate high level commissions which would be fair in their allocations, which is the only way to handle it.

SOCIAL SECURITY COMPARED WITH PRIVATE INSURANCE

Mr. LAIRD. Mr. Secretary, I was concerned about some of the activities of the Social Security Administration since you have taken over as Secretary of Health, Education, and Welfare. It seems to me that the Social Security Administration is doing everything in its power to sell the American people on the idea that our social security program is a regular insurance program comparable to the kind of insurance that you can go down and buy from any private insurance company; that it is funded on the same basis and is carried on under the same type of requirements that the insurance companies are forced to adhere to under State insurance laws.

You know and I know that this is not the case. What is your comment on that?

Secretary RIBICOFF. I do think the social security system is an insurance system, but, of course, it is based differently. It is compulsory instead of like private insurance companies, which are voluntary. You can buy a policy or not. But here, if you work under covered employment you automatically become a member; you become a participant.

Secondly, it is a trust fund. Study after study has indicated that the trust funds are financially sound. I think the experience of the social security fund and the social security system from its inception has been approved and declared sound by many nonpartisan groups.

The latest study group, which was appointed by President Eisenhower in 1958, composed of outstanding men from the business and insurance world who served on that committee and made that report, specifically said it was sound.

Mr. LAIRD. I don't quarrel with that report, Mr. Secretary. I think you misunderstand my question. I think there is an increasing effort being made to compare it with private-type insurance which has to operate under certain State requirements. Under the social security program, if the people who are presently not drawing benefits stop paying, you know and I know that the system would fold.

Secretary RIBICOFF. I am personally not aware that we are carrying on a different program or explanation than my predecessors carried on in explaining the social security system. I don't recall anything different that is being done. I think the only thing, Mr. Cohen has carried on a debate in the Wall Street Journal with a critic of the system. I think that is the extent of my knowledge of any debate going on.

"SOCIAL SECURITY PRESENTS 'THE WORLD OF FOLK MUSIC'"

Mr. LAIRD. What about the public relations program that you have embarked upon?

Secretary RIBICOFF. That I embarked on? I haven't embarked on a public relations program outside of speeches—

Mr. LAIRD. Mr. Secretary, I have before me a pamphlet which was published by the Social Security Administration. The cost of this pamphlet is charged to the social security trust fund. The title of the pamphlet is "Social Security Presents 'The World of Folk Music.'" This is a radio program which is being carried on locally. It is on three or four stations. It is a very interesting program. I would like to just read into the record certain portions of it.

Howdy, neighbors, this is Burl Ives and the top folk artists from many nations singing up a storm for you from the rich treasury of folk music around the world.

I like to listen to Burl Ives, too.

And we will have Mr. Robert M. Ball, Deputy Director of the Bureau of Old-Age and Survivors Insurance, bringing you a world of information about the protection you are building for yourself and your family through social security.

"The World of Folk Music," a new series of 15-minute radio programs starring Burl Ives and special guests.

It goes on to list a great many guests which they are going to have over the year.

This program is completely financed by the Social Security Administration and is produced by the Social Security Administration.

I hand this brochure to you as an example of the type of activity which I believe the people who are paying social security taxes, expecting them to be credited to the social security trust fund, have some questions about.

When I talk about this new approach or new look at the whole matter of public relations in the social security program since you have become Secretary, I am referring to this type of activity. This is a specific example which I would like to have you comment on.

Secretary RIBICOFF. First, let me say this: In all candor, this is the first time that I have ever seen this. Secondly, the OASI, from my information, has always carried on an informational and public relations program. Without even knowing, I would wager that the same people who were putting this out are the same people who were there before I became Secretary. I made no changes.

The Commissioner was there when I came in. I kept the Commissioner. Mr. Ball, who is Deputy Director—I kept him. I did not bring in one new person in the entire OASI setup. I haven't the slightest idea, and I don't know today, who their information officers are. I have never seen them. I have never talked with them. We don't try to influence or control them.

I would say that what you have here is a continuation of an information program. I will try to look into this and get you information as to what has been done.

So when you say this is something being done by me, all I can say is that I plead ignorance—and I don't take credit or I don't take any discredit. But I do want to make the record clear that whatever information activity is being done is being done as a continuation of what has been done in the past.

Whether there have been things done like this before I became Secretary, I don't know, but I will find out.

Mr. LAIRD. Mr. Secretary, so that we can make the record clear here, I don't care whether it was done before you were Secretary or whether this program is just new. I use this merely as an example. I sometimes think that in asking questions, it is better to have a specific example that you can point to.

TECHNIQUES FOR DISPERSING INFORMATION

I just picked this one out as an example of what I was discussing. What I would like to know is: Do you think this is proper, regardless of whether this has been the kind of activity that has been carried on in the past or not? I like Burl Ives and I like to listen to him. I just wonder whether this is a proper function, whether this is a proper use of the funds of workers who are having a certain amount deducted from each paycheck for social security.

Secretary RIBICOFF. I would say that when you have as many as a million Americans involved, that that many people want to know information and have their questions answered.

Mr. LAIRD. I am all for having their questions answered.

Secretary RIBICOFF. Basically, I think it goes without saying that just a straight question-and-answer period on the radio might not have many listeners. But I think if you had some Burl Ives' songs,

it might. I noticed some of the questions answered by Robert M. Ball:

What happens to the money you pay in social security taxes?

What are the requirements for benefits?

How can you get information on your social security rights?

What are survivors' benefits, and who gets them?

What must you do if you should become disabled?

These are the questions that are being answered, and these are the questions that Americans are asking all the time. If they are doing this with some music in between, this is an opportunity for them to have their questions answered.

You say "under my administration"; I want to point out to you it is Mr. Ball who is a career man, who is not in politics and isn't running for any office. Mr. Ball is the one who has his picture on here. Mr. Ball answers the questions.

To my knowledge, there is nobody in an appointed position who is involved in this particular type of broadcast.

Mr. KELLY. Mr. Laird, it has always been the philosophy of the Bureau of Old-Age and Survivors Insurance to feel that they have a responsibility to inform the American people as to how the social security plan works, what their rights and benefits are, and what their obligations are.

Mr. LAIRD. I certainly think so, too. But it seems to me people who want such information will listen to a program that gives it to them without having to be enticed like this.

I notice that the FCC is conducting hearings at the present time in which they are objecting to using gimmicks in order to get people to listen. They feel they can take straight educational programs. Here we are over in another department just going in the opposite direction.

Your Department is approving the use of gimmicks. I certainly accept the statement that you made that you had never seen this before. But we are using sort of a gimmick here. Wouldn't you believe that that would be correct?

Secretary RIBICOFF. Of course, I don't know whether it is a gimmick. Basically I don't know what the FCC is complaining about—the gimmick.

Mr. LAIRD. They want more straight educational programs.

Secretary RIBICOFF. There is room for a lot of it. I imagine there is much straight information that is done here. I would say, Mr. Laird, if you would take first my speech before the TV broadcasters last year, and my testimony on the educational television in front of the Dodd committee, I think you will see that I have said that there is room for a great variety in television; that you will see that I have said there is room for entertainment in broadcasting; and I don't think we should try to control the programs of commercial television, that in many ways do an excellent job.

I am for educational television because I think it will supply a basic need which isn't being met at the present time.

Mr. LAIRD. I was somewhat shocked and surprised when I saw that Social Security was franking out that kind of material. A member of Congress would certainly be criticized severely for putting out information like that in a franked envelope, advertising a television program or radio program.

Secretary RIBICOFF. Of course, this I am not aware of. Different members have different television broadcasts. I have been on many with many Members of Congress, and they all have different kinds and different types.

I have been on some programs where there have been film interspersals to illustrate a point. I have been on some where there have been straight questions and answers. I have been on some television programs with Members of Congress which were in the form of a debate.

In other words, I suppose Members of Congress depend upon their own ingenuity, their own imagination, and their different experiences.

Mr. LAIRD. There is one difference: a Member of Congress has to pay for his own program and doesn't charge it to the social security taxpayer.

Secretary RIBICOFF. Mr. Chairman, I would like this opportunity, since the question was raised, and since I have taken over the public relations without ever knowing what has preceded me, to have prepared and put in the record the basic policy of OASI over the years in presenting their information and the forms that have been taken, because I think it would be most unfair for the record to show that this is something which I started.

Mr. FOGARTY. We will let the record show that. But I think Mr. Laird is raising a very pertinent question.

I think he is doing you a service in calling it to your attention.

Secretary RIBICOFF. And I appreciate that. First I appreciate having this called to my attention because I have never seen it, No. 1. No. 2, you can be assured, Mr. Laird, as soon as I am finished with this committee I will start looking into this for my own curiosity to see for myself.

Maybe I will come to the conclusion that this activity should not be continued. I was not aware that this was being done. However, the point I want to make is that I would not want the implication to stand that this was started under me.

Whether it is right or wrong, I want to see the extent of it myself. I might come to you with a memorandum and call you up on the telephone and tell you, "Congressman Laird, I agree with you 100 percent." I want to see just what this is all about myself.

Mr. LAIRD. This could very well have been started under the previous administration. I was asking you the question, though, because you, as Secretary, are responsible for it now.

Secretary RIBICOFF. Yes.

Mr. LAIRD. I would like to have the information on it. When I see a three-color brochure put out advertising this kind of a program and indicating that it has been paid for by the social security taxpayers, I believe that it is important for our committee to get a little information on just how far you are going on this.

Mr. FOGARTY. If this was brought to the attention of the Congress when this bill reaches the floor, even though some of the things that you said in answer to Mr. Laird's question seem to make sense, I am sure it wouldn't satisfy the majority of the Members of the Congress without some more explanation.

Secretary RIBICOFF. You have my assurance that this will be looked into immediately and that a memorandum will be presented to this committee. It could very well be, because of what Mr. Laird has done, that there might be a change of policy pronto.

So I am appreciative, Mr. Laird, for your bringing this up. This is the first time I have seen it.

Mr. LAIRD. I didn't mean to pursue this as long as I have.

Mr. KELLY. May I have this copy to look into?

Mr. LAIRD. Yes.

Secretary RIBICOFF. I would like to have this to check it, if I may. I have never seen this. I would like to check on it.

(The following explanation was subsequently submitted:)

INFORMATION ON THE SOCIAL SECURITY RADIO PROGRAM, "THE WORLD OF FOLK MUSIC"

I. "THE WORLD OF FOLK MUSIC"—GENERAL FACTUAL BACKGROUND

"The World of Folk Music" is a series of 15-minute recorded public service radio programs combining folk music with information about the OASDI program. It is broadcast regularly on more than 1,300 commercial stations and on 76 stations of the Armed Forces network overseas. We began to plan for these programs in 1958.

The Government does not pay for any of this radio time.

The guest artists who perform on the programs are outstanding in their field and ordinarily receive fees in the hundreds or even thousands of dollars for a performance. For these programs, however, they accepted the minimum rates set by the American Federation of Television and Radio Artists. This amounts to \$66.90 per artist. The master of ceremonies for the first 13 shows received the same amount. The present master of ceremonies receives \$100 per 15-minute program.

For the 21 15-minute programs (25 have been completed but not all bills are in for the last 4), the total production cost including studio time, editing, dubbing, directing, writing, performance fees, production pressings, collating into sets, and preparation for mailing was \$22,416.87. Costs of mailing to our district offices amounted to an estimated additional \$1,500.

The programs are somewhat similar to several other Government radio programs, such as "Guest Star" (Treasury Department) "Take Five" (Marine Corps) "Stars for Defense," "Startime, U.S.A.," and "Entertainment, U.S.A." (Civil Defense Administration) and "Treasury of Stars" (Treasury Department).

The programs are produced under a Government-wide contract negotiated by the General Services Administration (with Columbia Record Productions of New York in fiscal year 1961 and with Allied Record Manufacturing Co. of Hollywood for the present fiscal year).

Each 15-minute program on the "World of Folk Music" includes a social security message totaling about 3 minutes. These messages are about social security taxes and benefits, requirements for eligibility, responsibilities of a beneficiary, and other important social security matters that people need to know about.

Since the early years of the social security program, we have from time to time produced a series of transcribed informational radio programs. These have generally been dramatized programs or interviews.

II. "WORLD OF FOLK MUSIC"—WHY BOASI HAS THE PROGRAM

The need for radio programs about social security.—The efficient administration of the program depends upon the informed participation of employers, self-employed people, and the wage earners themselves. "The Report (1948) of the Advisory Committee on Social Security to the Senate Committee on Financing" said:

"Under old-age and survivors insurance, contributors have established an equity in the trust fund. The Government as trustee has an obligation to inform the beneficiaries of their rights. The reporting and tax provisions as well as the benefit provisions will affect millions heretofore outside the scope of the law; unless they are fully informed of the duties they must now assume, records will be incomplete and the resulting confusion may tend to defeat the purpose of the extended protection. No social security program can be effective unless those who are entitled to participate know their rights and obligations."

Radio, among other outlets, makes it possible for us to give this general information to large numbers of people at low cost.

Specific reasons for "World of Folk Music."—We use a variety of radio programs, including spot announcements and other programs running up to 15 minutes in length. The longer programs include local programs presented "live" or on tape by district office people and transcribed programs. The recorded programs have included monologues, discussions, dramatizations, music and discussion programs, and "actuality" programs based on interviews with beneficiaries of old-age, survivors, or disability insurance.

As to why we go beyond a statement of social security facts and employ some kind of "entertainment" in the course of these programs, the answer is that we, like other Government agencies, found that to get the programs on the air we must make them acceptable to the radio stations. Also, of course, entertainment is more effective in getting large numbers of people to listen.

Few radio stations, if any, would schedule a weekly 15-minute program solely of social security discussion. And yet 1,300 stations are willing to schedule a weekly 15-minute program which combines 11 or 12 minutes of folk music with 3 minutes of social security information important to the public. (We are attaching a listing describing each of the important social security messages in the first 25 programs.)

This is a far greater number than have used any of our previous programs. They undoubtedly reach a large proportion of the Nation's people.

The Government does not pay for any of the radio time. It is donated by the radio stations as a public service. A commercial buyer of radio time would have to pay the radio stations for a 15-minute program perhaps \$30 on the average (time charges do vary considerably; \$30 would be a fair but rough approximation of the average). Our costs per broadcast would average about \$0.88. Based on the above figure, the 1,300 stations now broadcasting the series are contributing time valued at \$39,000 per week. The 25 programs released to date, if each program is used once by each of these stations, would result in broadcast time valued at nearly a million dollars. These programs will be broadcast more than one time by many stations, and therefore the value of the free time can be expected to be even greater—and the total cost for all 25 programs is estimated to be only about \$28,500.

Few radio listeners would stay tuned to a station which is presenting a 15-minute discussion of what the listener ought to know about the social security law. And yet there is strong evidence that millions of listeners will stay tuned during a program of folk music and listen to 3 minutes of social security information. We believe that this builds public understanding of the program—both as to the obligations that one has under it and the benefits that one may expect to obtain.

We do not think it would be possible to do so well by presenting the social security information in the form of spot announcements. We do use spot announcements, and we are enthusiastic about them. We have never had from them, though, anything like the favorable response that our district office managers, radio station operators, and the direct inquiries from the public indicate we have had from the "World of Folk Music."

Spot announcements come and go too rapidly to leave the kind of impression that a longer program can achieve. With a longer program we can build toward the message—we can tell the listener in advance what he is going to learn about during the program. He has time to reflect on its significance to him, to prepare to receive the information. And then, after he has heard the message in much

greater detail than would be possible on a spot announcement, he has a few minutes for further reflection before a closing announcement tells him how he can get details.

In addition, a 15-minute program secures a regular time slot. It goes on the air at a regular and predictable time, and listeners can be told how they may listen to it, whereas spots are unpredictable.

It is not only the musical programs which rely on some element of entertainment to get the programs broadcast and to help hold the attention of the audience. Dramatic programs seek to do the same thing by means of a story, and the many interview programs we have produced have sought to do so by using true stories, told by the people who lived them, to provide a program both interesting and instructive. These are effective but they are much more expensive to produce than the musical programs.

We have been able to find only one kind of program which will be broadcast and listened to which does not require a good deal of effort toward achieving high entertainment value. This is the news story; we use it on the occasion of amendments, at the end of the year, and whenever a newsworthy event provides the basis for a release.

Lastly, with respect to the leaflet about which the committee inquired, this is a 5½- by 7-inch sheet printed in two colors. (It gives the appearance of a three-color job because the paper is in another color.) The print cost on the folder in question was \$235; two later editions, covering additional programs, have cost about the same.

These folders were made available to our district offices for use in communities where the programs were being used, to call attention to the broadcasts. They were intended as stuffers for use in outgoing correspondence, and for pickups from the district office counters; therefore, there was generally no mailing expense involved.

III. WHAT HAS ROASI DONE IN THE PAST ON RADIO?

In the early forties a series of dramatized 15-minute radio programs called "Pleasantdale Folks" was produced.

In 1948 a series of radio transcriptions called "You and Your Security" was produced. These also were dramatized programs, presented by professional actors.

It was the extensive amendments of 1950, however, and the amendments made in subsequent years, which required more frequent and more detailed explanations of the OASDI program and changes in it through radio and other informational outlets.

In 1953 a series of 15-minute transcriptions titled "And For Tomorrow" was released. This also was a dramatic series which employed professional actors and carried important messages about changes made in the program in 1950 and 1952.

In 1955 a series of 15-minute transcriptions called "At the Crossroads" was released. These programs, produced with the assistance of the Center for Mass Communication at Columbia University, used the voices of actual beneficiaries who had led interesting lives and whose stories illustrated significant facts about the law. The narrator for these programs was an outstanding personality in the entertainment world and the social security messages were presented by Mr. Charles I. Schottland, then Commissioner for Social Security.

"At the Crossroads" was the forerunner of four other sets of similar programs, of which three have been completed and one is still in production.

In 1957 "The Unforeseen," a series of 15-minute programs similar to "At the Crossroads," was released. It used the voices of actual beneficiaries, with Raymond Massey narrating and the Commissioner for Social Security again presenting the social security information.

"The Social Security Reporter," with Robert Trout narrating, was a series of 5-minute programs produced in 1958. "Social Security Casebook," narrated by Hugh Downs, was a series of 5-minute programs produced in 1960.

The format of "The World of Folk Music" is no more expensive than that of other types of 15-minute transcribed programs. In fact, production costs per program on this series have been lower than for any of the others produced in the last 8 years.

SUBJECTS DISCUSSED ON WORLD OF FOLK MUSIC PROGRAM

1. Basic idea of OASDI and the availability of full services at district offices.
2. Some responsibilities you have (applying for account card, verifying records, making application).
3. How the program is financed and present and future tax rates.
4. The optional method of reporting wages for self-employed farmers.
5. Eligibility requirements for disability benefits.
6. How social security accounts are maintained—the importance of account numbers.
7. Revised eligibility requirements for old-age insurance benefits.
8. Children's benefits—requirements and social significance.
9. How the disability decision is made.
10. Reduced retirement benefit at age 62.
11. Household workers—under what conditions they are covered and how reports are made.
12. Program financing—the availability of funds for benefits.
13. Childhood disability benefits.
14. Insured status.
15. The 1961 amendments.
16. Childhood disability benefits.
17. Coverage of farm workers.
18. Joint railroad retirement and social security coverage and optional coverage for clergymen.
19. The retirement test.
20. Social security taxes.
21. The retirement test.
22. Requirement for the payment of disability benefit.
23. The retirement test.
24. Risk covered by the program.
25. Coverage of household employees.

HEALTH INSURANCE FOR THE AGED

MR. LAIRD. Mr. Secretary, I read an article in the Washington Star, December 29, 1961, in which you announced the establishment of a special task force to spearhead a drive for congressional approval of President Kennedy's medical care for the aged program. Assistant Secretary Wilbur J. Cohen will head up this group.

Creation of the task force was ordered by Secretary Ribicoff.

The article goes on and outlines the duties and the responsibilities of this task force.

When I read this article, it looked to me like perhaps the Department of Health, Education, and Welfare was taking lessons from the Department of Defense and some of our military establishments. I would like to know a little bit about the strategy and tactics of this task force.

Secretary RIBICOFF. You certainly will. It is altogether different than indicated there.

This is a memorandum from me to the Under Secretary and the General Counsel.

I propose to set up a task force to meet with me during the coming months on activities related to the health insurance for the aged. There are a number of policy questions which the Department may wish to review and various technical and policy issues which will certainly come up in the course of legislative planning and congressional consideration of health insurance.

In order to draw on the widest professional competence from within the Department and to assure that there is full awareness of the implications for our various programs on any decisions we make, I am asking you to designate appropriate members of your staffs to serve on the task force.

I skip something here, just the names of the people.

It is my intention at the first meeting to designate three working parties, including both task force members and others, to look into following questions:

1. Possible use of Blue Cross and of State agencies in the administration of a program of health insurance for the aged.

2. Methods of determining reasonable cost of services.
 3. Definition and possible modification of the scope of nursing home benefits.
- We may later want to set up special work groups to concentrate on additional questions.

In other words, sir, it has always been my policy, whether on this job or any other job, to always review other points of view; never to be arbitrary and say that I have all the answers.

During the course of the year we have had conversations with representatives of hospital groups. We have had conversations with representatives of Blue Cross and various insurance representatives who come down and talk with me.

Mr. LAIRD. Certainly the purpose seems to be quite different from the newspaper story.

Secretary RIBICOFF. Sir, we are not responsible for what head goes on a story or how a story is written. The whole purpose is an informational one—to review and look into every phase, an alternative, and agreement or compromise or alternatives that you could work out, or a suggestion in the field of health insurance.

Unquestionably during hearings and during debates the question comes from different members: "Can Blue Cross play a role? Can private insurance companies play a role?"

Suggestions are made by different Members of Congress on what we are trying to do. Instead of being arbitrary and saying that we will follow only the administration's point of view, we are willing to review all these alternatives to see if we can come up with constructive suggestions and ideas to make them available to you, the proponents and opponents of this bill.

So there is nothing in what we have been trying to do reflected in the story.

RESPONSE TO REQUEST FOR RECOMMENDATIONS ON 1962 BILL

Mr. LAIRD. Mr. Secretary, last year I got in touch with you and also with the President through letters which I wrote to both of you at the time that this bill was in conference. I tried to get recommendations at that time which would help me and strengthen my position in the conference so that we would come up with a reasonable bill and not provide more money than you could effectively use, but provide enough money so that we could have a program that made real progress, particularly in the area of medical research.

I was very disappointed that I couldn't get this kind of leadership from the President or from you as Secretary of Health, Education, and Welfare.

I notice shortly after our conference was completed that you started having discussions with the Bureau of the Budget and did arrive at figures which you felt would be adequate for the program.

Why couldn't these figures have been made available to the Congress?

Secretary RIBICOFF. Because, frankly, I think basic decisions weren't made at the time of our correspondence. I don't have it in front of me and I don't recall the dates; but at the time you wrote me I don't think I had a directive as to what the problem and what the approach would be.

Mr. LAIRD. These reductions were made for economy reasons. Is that correct?

Secretary RIBICOFF. I would say these deductions were made because of the President's concern over the size of the deficit, over his desire to set up a position of balancing the budget for this year, over his feelings that there were basic defense and international needs that required setting aside a substantial sum of money in reserves.

DEMOCRATIC PLATFORM ON MEDICAL RESEARCH

Mr. LAIRD. Is this an abandonment of the Democratic national platform which a colleague of yours from Connecticut had quite a little to do with, and I quote from the Democratic national platform on medical research.

We will step up medical research on the major killers and crippling diseases—cancer, heart disease, arthritis, mental illness.

Here is the important sentence:

Expenditures for these purposes should be limited only by the availability of personnel and promising lines of research.

What does that mean?

Secretary RIBICOFF. I don't know what that means. I would say that basically there is nothing inconsistent with our action and the Democratic platform. In the final analysis, the amount that was ultimately made available, even with the amount held in reserves, was much larger than that spent in the previous year, No. 1.

No. 2, it was larger than the executive budget that came up from the White House. It wasn't as large as Congress ultimately voted, but I believe was larger than the House itself had originally voted.

So it was our feeling that, while the sums ultimately available were not as large as what came out of the conference committee, yet it represented a substantial increase over that of last year.

PERSONNEL

The question of personnel always should be a determining factor. I don't believe that you should vote any money unless you know that it can be properly spent.

Mr. LAIRD. Were these reserves made because you didn't have the personnel?

Secretary RIBICOFF. I don't think this was the factor here because I believe there could have been grants made to people around the country; but it was a question of holding back in these fields on items of lower priority.

PROMISING LINES OF RESEARCH

Mr. LAIRD. Weren't there promising lines of research?

Secretary RIBICOFF. They were promising. Yet when you were trying to have a program of holding back reserves because of the question of relative importance of priorities, it was felt that these could wait another year.

I do believe that there was still some \$25 million more available for cancer research than last year, which is one of the things under the heaviest fire.

What was the ultimate, even with the reserves, Mr. Kelly? Do you have the exact figure of what was available?

Mr. KELLY. The amount available for the National Institutes of Health for 1961 was \$536,031,000. The amount available in 1962, even after the reserves, is \$676,659,000—or an increase of \$140,628,000 in 1962 over 1961.

Secretary RIBICOFF. Which I think is a considerable sum of money. It is a considerable increase.

RESPONSE TO REQUEST FOR RECOMMENDATIONS ON 1962 BILL

Mr. LAIRD. I certainly do, too, Mr. Secretary. I had hoped that the executive branch would be able to take some leadership in this area of medical research. I hope this year, when we get into conference, if I ask for some help and assistance to support the executive branch, that the executive branch won't run out again. That is the reason I bring up this question.

I have faith in the Public Health Service. I think you have in Dr. Luther Terry an outstanding man in charge of the Public Health Service. It seems to me, however, the executive branch is going to have to start exercising some leadership in this area. I don't believe it was exercised too well in the past administration.

I wanted to give you, and also the President, an opportunity to do it last year when we were in conference. It seemed to me that the kinds of answers I got were about as evasive as you could possibly get from anybody in authority.

This whole matter of reserves perhaps wouldn't have come up if we had had the figures you settled on right after the bill passed, because we would probably have set the figures in the conference. But I couldn't get any figures from anybody which they would stand behind.

REASONS FOR NO RESERVE FOR HOWARD UNIVERSITY

I noticed in going over the reserves, Mr. Secretary, that there were no reserves made for Howard University. In the 1962 bill, one of the largest percentage increases of appropriations in the Department was to Howard University—from \$5,490,000 in 1961 to \$7,700,000 for 1962.

The first paragraph at the top of page 7 of your statement sets forth the three exceptions. Howard doesn't fit in any of them. Actually it is not even a grant, let alone a formula grant.

Is there any politics in this matter?

Secretary RIBICOFF. No. I think what you have here, as it applies to Howard, American Printing House for the Blind, and Gallaudet, as far as we are concerned, is a different function from our direct operations. Basically these are practically independent agencies. Our control is very nebulous over them. We feel that they are of the same nature and status as grants that you make to States for specific purposes, and therefore we don't have the same type of control.

Once Congress says what Howard will get, or Gallaudet, that is in the nature of a grant and we treat it accordingly.

Mr. LAIRD. Do you feel the decision of the Congress as far as Howard is concerned is something you have to follow, but the decision on other items is something you do not have to follow?

Mr. KELLY. We distinguish between direct Federal operations where we exercise a discretion, and those which are not direct Federal operations. We treat Howard, Gallaudet, and American Printing House as recipients of a grant determined in amount by the Congress.

Mr. LAIRD. You cut back on research grants, and those go to schools; also on training grants to schools.

Mr. KELLY. Yes, sir; but there was not a decision made that a given recipient should receive a given grant. The moneys were given to us with the responsibility for administering them. But in those three cases, they are institutions partially supported by the Federal Government, and we viewed it that the Department's role is to assist the President in determining the degree of support that the Federal Government should give; and the Congress, on the basis of those recommendations, determines that degree of support.

We are the vehicle, then, for making it available to them; but that it is unlike the supervisory responsibilities that you have with respect to a direct Federal operation.

QUESTION AS TO BASIS FOR FUTURE CUTS IN APPROPRIATIONS FOR 1963

Mr. LAIRD. Mr. Secretary, if it becomes necessary because of current economic conditions and the state of world affairs next year to cut back \$100 million on your budget, where would you make the cuts, assuming that this budget was approved by Congress in the form and the amounts you are presenting to us?

I would like to have specific figures for specific appropriations and not just a batch of generalities.

Secretary RIBICOFF. I would say you may ask that, sir, but you are asking a set of conditions that I cannot anticipate.

Mr. LAIRD. We have had various people from the administration give us estimates on where they would put \$100 million more if they got it. Now I would like to see—

Secretary RIBICOFF. As far as I am concerned, whatever Congress votes, I will live with and carry out, unless I receive an order from the President to the contrary, like we had last year.

I cannot talk now about what will happen next year because I don't know any such thing will prevail. It has been the feeling of the President as of now, and the Budget Bureau, that his figures are good figures and firm figures; and of course, depending on what Congress votes ultimately and what the situation is, I cannot anticipate that there will be another \$100 million cut.

Mr. LAIRD. This year it was more than that.

Secretary RIBICOFF. From our Department, \$102 million, approximately. We are talking about our Department.

Mr. LAIRD. It just seems to me that there must be some things in this budget that have a higher priority than others, and some that have a lower priority. If you were told on the 15th of February to make recommendations on a \$100 million cut, would you not have some idea where these cuts should be made?

Secretary RIBICOFF. I would say the way this has been screened from each operating agency through the Budget Committee under the Under Secretary, and then appeals taken to me on different

factors, and then the Budget Bureau, I think it has been screened down to what we consider is absolutely essential for the proper carrying out of the functions of this Department.

As of today, I think they are all important and there are no priorities for a cut.

Should we be ordered for some unforeseen reason today, 6, 7, or 9 months from now to undertake a cut, then of course we would be thrown back to a group of discussions to see what we would do, and where. We would have to reappraise the entire operation to see what developed during the intervening 9 months.

I am not trying to be evasive, Mr. Laird. I just don't know.

Mr. LAIRD. So if this committee cut your budget by \$100 million, you wouldn't have any preference as to where it should be cut?

Secretary RIBICOFF. I would say if that was the intention of the committee and they asked me the preference, I would have to go all the way back and start reviewing it. Basically, I don't see where this could be cut.

(For additional discussion of this subject, see p. 997.)

OFFICE OF INTERNATIONAL AFFAIRS

Mr. LAIRD. Mr. Secretary, I notice you have established a new Office for World Affairs, or International Affairs, in the Department of Health, Education, and Welfare. I have here an article from the Washington Post of December 30, 1961, an Associated Press story, which says: "HEW Sets Up World Affairs Office." That is the headline.

Establishment of an Office of International Affairs in the Department of Health, Education, and Welfare was announced yesterday by Secretary Abraham A. Ribicoff.

Robert A. Kevan, of Pittsburgh, was chosen to head the new Office with the title of Deputy Assistant Secretary. He formerly held the position of departmental coordinator of international affairs.

I hand this clipping to the reporter so that we can make it a part of the record.

(The newspaper clipping is as follows:)

[From the Washington Post, Dec. 30, 1961]

HEW SETS UP WORLD AFFAIRS OFFICE

Establishment of an Office of International Affairs in the Department of Health, Education, and Welfare was announced yesterday by Secretary Abraham A. Ribicoff.

Robert A. Kevan, of Pittsburgh, was chosen to head the new office with the title of Deputy Assistant Secretary. He formerly held the position of departmental coordinator of international affairs.

Ribicoff said the creation of the new Office "is a first step in providing top-level assistance and leadership in meeting the Department's obligations in the international field."

Mr. LAIRD. It seems that in every Department request we have had up here, we have had the creation of these new offices, new bureaus, in the area of international affairs. I would like you to comment a bit on this.

In the budget justifications you gave us last year, I could not find any place where it was pointed out that this kind of an office was go-

ing to be created, and I would like to know how many people are staffing it, how many people are working in this area.

Secretary RIBICOFF. Not an additional person, to my knowledge. Mr. Kevan has been working in this field for some 7 years. Mr. Kevan coordinated the various international activities of our Department, and he was doing that when I came to this Cabinet post, and we kept him.

Basically, we thought that we would need an Assistant Secretary for International Affairs, which I think we need. However, we haven't gotten one. Congress in its wisdom hasn't voted that.

Basically, all you are doing is giving Mr. Kevan a title reflective of the work he is actually doing in this field—all of his time being devoted to the international activities, which are many. So there isn't really a new department or a new staff.

My understanding—and Mr. Kelly can confirm or tell me that I am wrong—is that Mr. Kevan has no additional help. We have just given Mr. Kevan a title which we think will be helpful to him in this Department of this Government to carry out the activities he has been doing for the last 7 years.

Mr. LAIRD. Then the story is misleading, that a new bureau has been created?

Secretary RIBICOFF. That's right.

Mr. LAIRD. This is just a new title that has been created?

Secretary RIBICOFF. A new title for Bob Kevan, who has been in that job for 7 years.

Mr. LAIRD. You must have pretty good public relations officers over there. Those news releases you put out must make every little thing you do sound like a big deal.

Secretary RIBICOFF. I don't know whether that is a news release or somebody picks up an item; but it is certainly no new department.

Mr. LAIRD. They must work overtime. That is pretty good publicity. You would think it was something new and pretty significant that had been created over there. All you have created is a title.

Secretary RIBICOFF. That's right.

RELATIONSHIP OF THE INTERNATIONAL AFFAIRS ACTIVITIES TO OTHER INTERNATIONAL AGENCIES

Mr. LAIRD. Mr. Secretary, in going over these budget requests—we just went through the Department of Labor—I have asked the staff to get figures together for me on all of this work in the area of international affairs by all the agencies of the Government.

This study has not yet been completed, but it is quite impressive so far. I wondered if perhaps we are finding that the State Department just can't handle our international affairs. Is that why all the executive agencies have to move in? Have they just broken down so completely—or what is the trouble?

Secretary RIBICOFF. I can't tell you about the State Department. I have never been over there except for a visit. There are many activities in the international field that are basically in the province of various departments—in the field of education, the field of health, the field of social security.

These are fields that are within the competence of our Department, and our people are used and have been used for many years to work in these areas with their like counterparts in other nations of the world.

AID ACTIVITIES IN PUBLIC HEALTH

Mr. LAIRD. The AID justifications, Mr. Secretary, go into some detail in this whole area of public health and the great responsibilities they have for getting material and information, and so forth and so on.

In your justifications for this budget, especially in public health, there is considerable on your international activities. In the Department of Labor it ran through their justifications.

Can we get all this work together in one agency instead of having every agency involved in this?

Secretary RIBICOFF. I would say just the opposite. I think it would be much better and much more effective if the AID Agency designated the Surgeon General to handle all the international activities relating to health. Personally, I think it is a better way to handle it.

Mr. LAIRD. And that they should get out of it.

Secretary RIBICOFF. Well, they have other things to do. I would say the basic policy decisions on foreign policy must always be in the State Department. They should make the basic decision. When it comes to the question of operating in different fields, it would seem to me that the basic competence in the field of health would be in the Public Health Service.

OTHER INTERNATIONAL ACTIVITIES CUTTING ACROSS AGENCIES

In the field of education it could be in the Commissioner of Education. It would seem to me that the labor activities, in Labor; and agriculture, in Agriculture.

I think coordinating these departments would be what I personally would recommend.

Mr. KELLY. Mr. Laird, may I say we have a very limited staff in the international field today. What the Secretary is talking about is a view of how certain things can be done. We do now employ people who are paid for by the AID agency to carry out certain responsibilities for them, such as recruiting a professional staff and conducting and arranging for training in this country.

We do administer the Public Law 480 foreign country funds that the Congress has made available to us in several of the operating agencies. But a significant amount of the work in the international field constitutes the reply to inquiries from the State Department for our suggestions, comments, and technical views with respect to U.S. position papers in the conduct of international affairs, and particularly the U.S. representation before the international agencies such as the United Nations, the World Health Organization, UNESCO, and so forth.

The State Department in its endeavor to coordinate the posture of the United States in the international agencies with the domestic policies seeks their advice and assistance. We have people engaged in the development of such position papers that relate to our domestic

organization. But we have a relatively small staff at this time in the international field throughout the total Department. I think what the Secretary is indicating to you, is in the long run, he thinks there is too small a staff to perform the responsibilities that our Department really should discharge.

Mr. LAIRD. My concern is that it seems to me we have a lot of different departments shuffling papers back and forth. This occurs in other areas of our budget, too. In the defense budget we have a lot of this. It just seemed to me that maybe the State Department is becoming a filing agency, although their requests for personnel have continued to increase every year.

MEDICAL CARE FOR THE AGED

Last week, Mr. Secretary, you made a speech before—I don't know just what to term this—the Democratic employees of Capitol Hill, who were invited to the State Department.

Secretary RIBICOFF. I understand it was open to all assistants and aids of all Congressmen and Senators—Republicans and Democrats alike. I was told that Republican aids were there as well as Democratic.

Mr. LAIRD. I read that in the paper; but in checking, I haven't found any Republican office that received an invitation; whereas I found all the staffs of the Democratic Members were invited.

I don't object to that. We are the minority party. I just didn't know how to term the meeting, what to call it, because there was no real title to it. I read in the paper that Republicans and Democrats were invited, but I found on checking, that apparently wasn't correct, and that is perfectly all right. But one of my friends on the majority side informed me that in connection with your medical care for the aged program, you told the congressional aids that they would be well advised to consider this legislation on the basis of its great political attraction.

Just what did you mean by that?

Secretary RIBICOFF. I would say this. I talked about the measures—I think I answered right at the beginning here for the chairman what I have said across the country publicly, privately, to newspapers—that in my opinion the most popular domestic program is medical care for the aging under social security.

I have said it in front of Democrats; I have said it in front of Republicans; I have said it in front of civic groups, because this is what I have found and this is my personal opinion, and I still say so.

I think that I told that group that I had analyzed the different programs in this Department and talked about the public support that I found for different programs. This is what I said. As to political attraction, I don't recall using words like that. But I think I might have said basically, what has political significance in the longrun is what is popular with the people.

I think the program is good on its merits, and I think it is a good program; and I think it is a program that has the strongest political appeal, yes. I do feel that. Quite frankly I do feel that.

Mr. LAIRD. Mr. Secretary, many times things that are popular are not best for the country.

Secretary RIBICOFF. I happen to think this is best for the country, too.

Mr. LAIRD. I think if you took a poll around the country you would find that a general tax reduction would be popular with the people. I don't believe we can grant a general tax reduction at this time.

It seems to me that legislation such as your medical care program is of very broad scope and is too significant a piece of legislation to let politics enter into it. I would certainly prefer to have such matters decided on their merits. I thought it was unfortunate that this question of pure politics should be injected into this discussion with these administrative assistants.

Secretary RIBICOFF. Again let me say to you, I wasn't making a speech to a Democratic group. I was invited to present our program, and I am accustomed to speaking frankly and candidly. When I can't do that, I will get out of Government. I have been in it long enough, in all phases, and I have no apologies for the positions I have ever taken on any measure, and the people usually know where I stand on every measure.

I was told that there were invitations out to administrative assistants from the Hill, Senators, and Congressmen; that there were both Republicans and Democrats invited.

Mr. LAIRD. They may have done this in the Senate.

Secretary RIBICOFF. I am just telling you the information I had. I arrived at 16 minutes to 5, and at 15 minutes to 5 I made a 15-minute talk and left immediately.

I didn't have a chance to see anyone personally because another speaker followed me. I was late and I just got in and got out. I made my remarks and gave a very frank discussion of the various measures that were before the Congress from our Department.

Mr. LAIRD. I am sure you did a very fine job in presenting your point of view. I was just concerned about this implication.

JUVENILE DELINQUENCY ACTIVITIES OF JUSTICE DEPARTMENT

Mr. Secretary, we will call this meeting a "bipartisan conference," but I want that in quotes. At this "bipartisan conference," the Attorney General made quite an interesting statement. One of his major points was that they were taking the leadership in the field of juvenile delinquency.

He stated to these administrative assistants—I have very good notes on this program—

Secretary RIBICOFF. There must have been some Republicans there.

Mr. LAIRD. He indicated that the Justice Department was setting up regional centers where they will gather information and experts to help any who desire help in the field of juvenile delinquency. I guess they have already gone ahead and set up a couple of these centers. It wasn't quite clear whether any had actually been set up, but the plan was very clear that this was the intent.

This sounded very much like the same kind of a program that I heard sitting on this side of the table, that the Department of Health, Education, and Welfare wants to carry forward.

Juvenile delinquency is something everyone is certainly against and wants to do something about. There certainly is uniform opinion

around the country that something should be done on this particular problem. Sometimes I think people get pretty far away from where the problem actually is in some of these discussions.

But in going over the notes on the Attorney General's presentation I was quite concerned that this was the same kind of program you have been talking about.

Secretary RIBICOFF. I told you I came in at 16 minutes of 5. I made my talk and left, and I didn't hear anyone else's talk. So I don't know. I don't question your notes, but I haven't the slightest idea what the Attorney General said. I didn't hear him and I didn't read a report.

First, there was established a President's Committee in the executive branch on juvenile delinquency, of which the Attorney General is chairman; and the Secretary of Labor and I are members.

The three of us get together on the basic broad policy decisions. The money Congress voted places most of the responsibility for the operations in HEW. This is under the supervision of Lloyd Ohlin. We make the demonstration grants; we make the training grants; we give the advice. The money is appropriated to the Department of Health, Education, and Welfare.

We have people working in those fields, and most of the work is being done here. The Attorney General is setting up these so-called halfway houses, which is another phase of juvenile delinquency. When these young men or young girls get out of some Federal reformatory or Federal penitentiary—

Mr. LAIRD. That was another part of the program which was discussed, too. But I am limiting my discussion here to the centers.

Secretary RIBICOFF. Do you know anything about this, Wilbur?

Mr. COHEN. Those centers will be set up by the Department of Health, Education, and Welfare under the juvenile delinquency bill that was passed. The Attorney General was speaking to that point in his capacity as the chairman of this committee of the three Secretaries, which under the Executive order must review and coordinate all of the policies as they affect HEW, the Department of Justice, and the Department of Labor.

Mr. LAIRD. HEW is doing the work, but the Attorney General is Chairman of it?

Mr. COHEN. That is correct. He is Chairman of a policy committee to be sure that what we do, what the Labor Department does, and the Justice Department does, is coordinated in a unified attack on the problem.

Mr. LAIRD. The impression was certainly given that this was something which the Justice Department was doing. Sitting on this particular committee, it just made me wonder a little bit what was going on here. I intended to go into it a little further.

Secretary RIBICOFF. Mr. Ohlin will be here. I am sure he will answer any questions in detail. Basically I know we have appointed advisory committees on the training and the research projects. They met this month. I met with them. We are getting the forms up. We are doing the investigating. Most of the work and most of the expenditure of funds will come directly from my Department, Mr. Laird.

Mr. COHEN. The problem, Mr. Laird, in the past has been with the problems of employment affecting juvenile delinquency; and some of the problems of the Justice Department is that there hasn't been a coordinated attack on the problem.

In addition to working out these different program elements that you have discussed, there will be an overall advisory committee to this Cabinet committee to attempt to get that coordination.

Secretary RIBICOFF. That is being drawn up now.

Mr. COHEN. I think you are correct. I was at the meeting. I don't think the Attorney General made it quite clear there that he was speaking in two different capacities.

Mr. LAIRD. Certainly he gave the impression he was talking about the work of the Justice Department. If this is the program that we have authorized and are funding in the Department of Health, Education, and Welfare, I think that he was a little bit misleading.

Mr. COHEN. He spoke, as I recall it, without notes—extemporaneously, and was talking about his interest in juvenile delinquency. Then he touched on the Halfway Houses which are under his own Department.

Mr. LAIRD. I understand about the Halfway Houses.

Mr. COHEN. Then he went on to these other points. I think there is a reasonable basis for that misunderstanding.

PROGRAM FOR THE AGED

Mr. LAIRD. Mr. Secretary, last year in the supplemental appropriations bill—the chairman, Mr. Fogarty, went into this yesterday at some length—funds were appropriated for the work which your Department has the responsibility for in the area of the aged. This was sent to the Congress as a high priority item. We find the first person has been employed just this week.

It is my understanding that the Department has been contacting quite a few people to see if they wouldn't like to do just a study paper here, a study paper there, and has been spending this money to hire consultants on a daily basis. Is that correct?

Mr. COHEN. Mr. Laird, that is correct. During this intervening time when we were not able to get the full-time people, we did try to get some consultants on a short-time period to do some of the work, pending the appointment of the full-time permanent staff.

Mr. LAIRD. What you did was try to get people to do this work on sort of a "moonlight" basis?

Mr. COHEN. That I am not aware of. You mean working on a second job?

Mr. LAIRD. I am not being critical of "moonlighting," but I think it expresses the situation pretty well. These people weren't taken off other payrolls; isn't that correct?

Mr. COHEN. I am only familiar with one such case. I don't know how many there are or where we did try to get some people to write up materials, or whether they already had some other assignments.

Secretary RIBICOFF. I will say Mr. Kent will be here and would be able to answer all those specific questions of who these people were and what other jobs they had, Mr. Laird, and what they did. I think Mr. Kent will be qualified to answer that.

Mr. LAIRD. It seemed to me that many of the jobs that have been assigned have been along the line of the study papers that were prepared for the White House Conference on Aging.

Mr. COHEN. Yes, Mr. Laird. For instance, I recall that even during the preparation of the White House Conference, of course, I was a consultant at that time even though I was a university employee, because you can't get a person for a month or 2 months or intermittent work to work on a document or a report, you seek consultants to prepare special material.

So in that sense they are already employed somewhere else and you make some kind of a contract for consultant service with them to do a particular kind of job. I think that is what Mr. Kent was doing while he was trying to recruit these permanent people.

HEW GRANT FUNDS RECEIVED BY SCHOOLS OF HIGHER LEARNING

Mr. LAIRD. Mr. Secretary, would you have prepared for the record a table showing all the funds from appropriations made to the Department going to colleges and universities for the years 1959 through the estimate for 1962, broken down by appropriation, and by the categories: research, training, and other purposes?

Secretary RIBICOFF. That will be done, Mr. Laird.

Mr. LAIRD. And insert it at this point in your testimony.

Mr. KELLY. This may take a little time, Mr. Laird, but we will develop it.

(The requested information follows:)

Obligations to colleges and universities for fiscal years 1959-63 by appropriation, activity, and category

Appropriation, activity, and category	1959	1960	1961	1962 estimate	1963 estimate
OFFICE OF EDUCATION					
Research:					
Defense educational activities:					
Language development research.....	\$497,620	\$2,780,478	\$1,369,733	\$1,400,000	\$1,245,000
Educational media research.....	810,307	2,055,107	2,683,891	2,200,000	2,000,000
Cooperative research.....	2,103,010	2,796,589	3,228,300	4,484,151	10,400,000
Training:					
Endowment of colleges of agriculture and the mechanic arts.....	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Further endowment of colleges of agri- culture and the mechanic arts.....	2,501,500	2,501,500	2,501,500	8,194,000	11,950,000
Defense educational activities:					
Student loans.....	31,000,000	40,668,351	57,975,348	191,300,000	91,300,000
National defense fellowships.....	5,294,000	12,569,500	19,868,000	21,370,800	21,200,000
Institutes for counseling personnel.....	3,387,989	5,490,340	6,500,000	7,062,000	7,250,000
Language centers and stipends.....	999,995	3,429,513	4,554,205	6,000,000	6,203,000
Institutes for language teachers.....	1,594,616	3,319,746	6,482,687	7,250,000	7,250,000
Other:					
Defense educational activities: Educa- tional media research (dissemina- tion).....	62,238	178,514	712,699	750,000	1,000,000
Total, Office of Education.....	50,801,275	78,339,638	108,426,363	152,560,951	162,345,000
OFFICE OF VOCATIONAL REHABILITATION					
Research:					
Research and training: Research.....	1,133,000	1,541,000	2,400,000	2,649,000	3,010,000
Training:					
Research and training: Training.....	3,940,000	5,247,000	6,176,000	8,053,000	10,996,000
Other:					
Research and training: Rehabilitation research and training centers.....				723,000	1,000,000
Total, Office of Vocational Rehabil- itation.....	5,073,000	6,788,000	8,576,000	11,425,000	15,006,000

See footnotes at end of table.

Obligations to colleges and universities for fiscal years 1959-63 by appropriation, activity, and category—Continued

Appropriation, activity, and category	1959	1960	1961	1962 estimate	1963 estimate
PUBLIC HEALTH SERVICE					
Research:					
Accident prevention: Research grants	\$480,000	\$540,000	\$547,000	\$803,000	\$712,000
Hospital construction activities: Hospital and medical facility research	412,142	390,984	492,717	1,000,000	2,000,000
Hospital and medical facility research	403,140	115,406	63,246	1,610,267	2,461,896
Air pollution: Research grants				2,603,000	3,262,800
Milk, food, interstate, and community sanitation: Research grants				1,511,000	2,000,000
Occupational health: Research grants				978,000	1,260,000
Radiological health: Research grants					
Water supply and water pollution control: Research grants				2,004,686	2,463,750
General research and services, National Institutes of Health: Research grants	13,100,709	21,277,929	34,051,397	76,615,643	98,068,023
National Cancer Institute: Research grants	18,668,522	22,360,503	26,504,236	34,455,507	39,968,388
Mental health activities: Research grants	10,228,707	13,966,709	18,348,448	25,320,858	32,157,490
National Heart Institute: Research grants	19,741,432	25,979,216	39,390,245	53,964,636	63,678,270
National Institute of Dental Research: Research grants	2,837,342	3,681,076	4,627,453	6,247,062	7,683,886
Arthritis and metabolic disease activities: Research grants	14,893,486	24,016,757	29,795,679	41,118,037	52,219,907
Allergy and infectious disease activities: Research grants	11,557,962	16,340,714	22,825,006	28,303,007	30,284,217
Neurology and blindness activities: Research grants	12,347,174	16,723,250	21,619,565	27,456,848	32,673,649
Training:					
Community health practice and research: Grants for public health training	1,510,438	2,527,469	3,972,549	4,792,010	7,900,000
Nursing services and resources: Training grants	6,138,764	6,325,377	7,118,637	7,244,276	7,325,000
Air pollution: Training grants	97,275	75,556	80,700	79,208	100,000
Radiological health: Training grants			500,000	1,000,000	2,000,000
Water supply and water pollution control: Training grants				700,000	1,100,000
General research and services, National Institutes of Health: Training grants	6,098,612	12,659,281	25,574,374	27,876,068	27,876,068
National Cancer Institute: Training grants	5,263,461	5,980,960	6,002,222	6,662,466	6,662,466
Community demonstration projects		378,198	488,072	700,000	700,000
Mental health activities: Training grants	16,676,369	23,738,600	32,909,166	28,301,883	36,509,429
National Heart Institute: Training grants	6,409,781	7,712,591	10,504,028	9,033,464	9,033,464
National Institute of Dental Research: Training grants	574,392	1,096,452	2,947,846	3,714,286	3,714,286
Arthritis and metabolic disease activities: Training grants	3,972,908	5,596,194	7,211,775	8,293,541	8,293,541
Allergy and infectious disease activities: Training grants	1,400,465	3,266,094	4,300,697	4,816,781	4,816,781
Neurology and blindness activities: Training grants	4,742,684	7,567,712	7,236,709	7,256,177	7,526,177
Construction:					
Hospital construction activities: Construction grants	1,544,252	4,733,290	5,417,088	6,000,000	6,500,000
Grants for cancer research facilities			4,715,622	4,715,622	
Construction of health research facilities	26,475,074	21,522,334	23,503,174	23,503,174	39,250,301
Other:					
Water supply and water pollution control:					
Fellowships				100,000	300,000
Demonstration grants				282,660	333,000
General research and services, National Institutes of Health: Fellowships	1,065,872	1,872,410	5,991,419	6,710,389	6,710,389
National Cancer Institute: Fellowships	1,147,192	1,735,868	1,162,107	1,499,118	1,499,118
Community demonstration projects		101,906	176,698	250,000	250,000

See footnotes at end of table.

Obligations to colleges and universities for fiscal years 1959-63 by appropriation, activity, and category—Continued

Appropriation, activity, and category	1959	1960	1961	1962 estimate	1963 estimate
PUBLIC HEALTH SERVICE—continued					
Other—Continued					
Mental health activities: Fellowships	\$870, 771	\$1, 649, 636	\$1, 891, 212	\$2, 458, 576	\$2, 458, 576
National Heart Institute: Fellowships	1, 745, 084	2, 078, 766	2, 309, 962	2, 979, 851	2, 979, 851
National Institute of Dental Research: Fellowships	409, 712	594, 673	794, 743	882, 165	882, 165
Arthritis and metabolic disease activities: Fellowships	268, 856	312, 353	643, 576	1, 325, 767	1, 325, 767
Allergy and infectious disease activities: Fellowships	712, 012	865, 360	990, 357	1, 327, 078	1, 327, 078
Neurology and blindness activities: Fellowships	433, 259	438, 498	553, 593	1, 428, 270	1, 428, 270
Total	192, 227, 849	258, 222, 122	355, 261, 318	467, 924, 381	559, 696, 003
SOCIAL SECURITY ADMINISTRATION					
Research:					
Grants for maternal and child welfare: Maternal and child welfare				116, 378	116, 378
Crippled children's services				260, 450	266, 575
Cooperative research and demonstration projects			265, 982	440, 000	1, 235, 000
Training:					
Grants for maternal and child welfare: Maternal and child welfare				907, 856	931, 972
Crippled children's services				286, 684	368, 184
Total, Social Security Administration			265, 982	2, 011, 368	2, 918, 109
SPECIAL INSTITUTIONS					
Gallaudet College:					
Construction and planning	123, 000	381, 000	2, 526, 000	601, 000	355, 000
Other ²	849, 000	904, 000	1, 074, 000	1, 256, 000	1, 410, 000
Howard University:					
Construction and planning	123, 000	28, 000	1, 676, 000	4, 908, 000	5, 617, 000
Other ²	4, 350, 000	4, 617, 000	5, 490, 000	7, 007, 000	7, 492, 000
Total, special institutions	5, 445, 000	5, 930, 000	10, 766, 000	13, 772, 000	14, 874, 000
OFFICE OF THE SECRETARY					
Juvenile delinquency training grants				1, 500, 000	1, 750, 000
Total, Department of Health, Education, and Welfare	253, 547, 124	349, 279, 760	483, 295, 663	649, 193, 700	756, 589, 11

¹ Includes proposed supplemental of \$16,155,000.

² Includes some funds for departmental research activities which are not separately accounted for.

DEPARTMENTAL EMPLOYMENT LEVEL, 1962

Mr. LAIRD. Mr. Secretary, last year when you appeared before the committee the average employment in your Department for fiscal year 1961, you stated, was 64,675. In that testimony you indicated that the yearend employment for fiscal year 1962 as budgeted would be 71,921.

What is now the yearend estimate of employment for 1962?

Mr. KELLY. The yearend employment estimated for fiscal year 1962 is 77,515, excluding Gallaudet and Howard, which we don't consider to be Federal employees.

Mr. LAIRD. This figure last year excluded Gallaudet and Howard. Where are these additional employees made up as compared with the testimony on page 108 of the hearings last year?

Mr. KELLY. I would have to give you a specific table.

Mr. LAIRD. I would like to have that put in the record.

Mr. KELLY. The major increase is in the Bureau of Old-Age and Survivors' Insurance, which was occasioned by two things: One, the

workload that we estimated last year—our estimates were an understatement and we found it necessary to use the \$10 million contingency fund you made available to us because of the workload. The remainder was a supplemental with respect to the Bureau of Old-Age and Survivors' Insurance.

Mr. LAIRD. I would like the testimony of last year, which was given at the time the Secretary was here, reconciled up to date.

Mr. KELLY. Yes, sir. It is almost entirely the result of legislative enactments for which we did not have any figures in the estimate, but did indicate the legislation which was pending and being supported. (The requested information follows:)

Reconciliation of year-end employment estimates for fiscal year 1962

Organization unit and account title	1962 estimate ¹ end of year	Revised 1962 estimate end of year	Difference revised less original estimate
Food and Drug Administration:			
Salaries and expenses.....	2,550	2,462	-88
Salaries and expenses, certification, inspection, and other services.....	193	186	-7
Advances and reimbursements.....	10	10	-----
Total, Food and Drug Administration.....	2,753	2,658	-95
Office of Education:			
Payments to school districts.....	9	3	-6
Assistance for school construction.....			-----
Salaries and expenses.....	1,154	1,138	-16
Advances and reimbursements.....		13	+13
Total, Office of Education.....	1,163	1,154	-9
Office of Vocational Rehabilitation:			
Salaries and expenses.....	246	245	-1
Advances and reimbursements.....			-----
Total, Office of Vocational Rehabilitation.....	246	245	-1
Public Health Service:			
Accident prevention.....	143	189	+46
Chronic diseases and health of the aged.....	211	316	+105
Communicable disease activities.....	995	888	-107
Community health practice and research.....	209	224	+15
Control of tuberculosis.....	253	253	-----
Control of venereal disease.....	430	562	+132
Dental services and resources.....	230	236	+6
Nursing services and resources.....	88	117	+29
Hospital construction activities.....	200	224	+24
Air pollution.....	407	410	+3
Milk, food, interstate, and community sanitation.....	252	325	+73
Occupational health.....	194	185	-9
Radiological health.....	587	663	+76
Water supply and water pollution control.....	827	960	+133
Hospital and medical care.....	6,835	7,017	+182
Foreign quarantine activities.....	620	623	+3
Indian health activities.....	5,511	5,457	-54
Construction of Indian health facilities.....	55	86	+31
National Institutes of Health:			
General research and services.....	378	416	+38
National Cancer Institute.....	1,424	1,539	+115
Mental health activities.....	967	1,007	+40
National Heart Institute.....	901	1,055	+154
National Institute of Dental Research.....	233	244	+11
Arthritis and metabolic disease activities.....	566	590	+24
Allergy and infectious disease activities.....	659	641	-18
Neurology and blindness activities.....	619	716	+97
NIH management fund.....	4,120	4,289	+169
Subtotal, National Institutes of Health.....	(9,867)	(10,497)	(+630)
National health statistics.....	342	336	-6
National Library of Medicine.....	226	225	-1
Emergency health activities.....		62	+62
Salaries and expenses, Office of the Surgeon General.....	588	609	+21
Operation of commissaries, narcotic hospitals.....	14	13	-1

Reconciliation of year-end employment estimates for fiscal year 1962—Continued

Organization unit and account title	1962 estimate ¹ end of year	Revised 1962 estimate end of year	Difference revised less original estimate
Public Health Service—Continued			
Bureau of State Services management fund.....	594	645	+51
Service and supply fund.....	312	367	+55
Working capital fund, narcotic hospitals.....	66	67	+1
Advances and reimbursements.....	418	519	+101
Public Health Service trust funds.....	2	7	+5
Total, Public Health Service.....	30,476	32,082	+1,606
St. Elizabeths Hospital:			
Salaries and expenses.....	3,513	3,745	+232
Advances and reimbursements.....		1	+1
Total, St. Elizabeths Hospital.....	3,513	3,746	+233
Social Security Administration:			
Limitation on salaries and expenses, Bureau of Old-Age and Survivors' Insurance.....	30,221	33,909	+3,688
Assistance for repatriated U.S. nationals.....	3	6	+3
Salaries and expenses, Bureau of Family Services.....	348	365	+17
Salaries and expenses, Children's Bureau.....	254	248	-6
International Social Security Association meeting.....			
Salaries and expenses, Office of the Commissioner.....	94	90	-4
Salaries and expenses, White House Conference on Children and Youth.....			
Operating fund, Bureau of Federal Credit Unions.....	477	475	-2
Advances and reimbursements.....	84	116	+32
Total, Social Security Administration.....	31,481	35,209	+3,728
Special institutions:			
Freedmen's Hospital: Salaries and expenses.....	947	910	-37
Gallaudet College: Salaries and expenses (non-Federal employees).....	217	225	+8
Howard University: Salaries and expenses (non-Federal employees).....	1,867	2,029	+162
Total, special institutions.....	3,031	3,164	+133
Office of the Secretary:			
Salaries and expenses.....	307	312	+5
Salaries and expenses, Office of Field Administration.....	578	595	+17
Surplus property utilization.....	100	99	-1
Salaries and expenses, Office of the General Counsel.....	169	168	-1
Juvenile Delinquency and Youth Offenses.....		12	+12
White House Conference on Aging.....			
Working capital fund.....	167	163	-4
Advances and reimbursements.....	21	161	+140
Advances and reimbursements (trust account).....		1	+1
Total, Office of the Secretary.....	1,342	1,511	+169
Grand total, DHEW (including Gallaudet College and Howard University).....	74,005	79,769	+5,764
Grand total, DHEW (excluding Gallaudet College and Howard University).....	71,921	77,515	+5,594

¹ Estimate as given to House Appropriations Subcommittee in 1961.

RECONCILIATION

The increase of 5,764 in end-of-year-employment estimates originally made in the 1962 budget request was occasioned by the following factors:

1. Increase because of Kennedy amendments to Eisenhower budget.....	+742
2. Changes because final appropriation by Congress was different than budget estimate.....	+1,287
3. Increase because of supplemental appropriation enacted after submission of budget request.....	+3,030
4. Increase because of utilization of BOASI contingency to process higher workloads than anticipated.....	+915
5. Decrease because of economy reductions.....	-601
6. Other changes resulting from changed program requirements.....	+391

Total change..... +5,764

EMPLOYMENT LEVEL, 1963

Mr. LAIRD. The yearend figure for fiscal year 1963 will be what?

Mr. KELLY. 82,025, sir.

Mr. LAIRD. This increase is in the neighborhood of about 5,000 more employees?

Mr. KELLY. 4,510; yes, sir.

Mr. LAIRD. Would you put in the record a table reconciling that figure as compared with the yearend figure in 1962 and show where those people are, so we have them in one place.

Mr. KELLY. Yes, sir. I might give you the highlights of it. One-third of them, or 1,581, are in the Bureau of Old Age and Survivors' Insurance, and relate to a measured workload of a compulsory nature; 272 of them are related to direct patient care activities; 618 are related to the expansion of the Food and Drug Administration in the consumer protection program; 703 are related to the National Institutes of Health medical research program; 343, to community health activities; 391, to environmental health activities; 93 for strengthening the supervision and direction of the Department's programs; and 509 in all other activities of the Department.

(The requested information follows:)

Reconciliation of year-end employment estimates for fiscal years 1962 and 1963

Organization unit and account title	1962 estimate, end of year	1963 estimate, end of year	Difference, 1963 estimate less 1962
Food and Drug Administration:			
Salaries and expenses.....	2,462	3,073	+611
Salaries and expenses, certification, inspection, and other services.....	186	193	+7
Advances and reimbursements.....	10	10	-----
Total, Food and Drug Administration.....	2,658	3,276	+618
Office of Education:			
Payments to school districts.....	3	3	-----
Assistance for school construction.....			-----
Salaries and expenses.....	1,138	1,205	+67
Advances and reimbursements.....	13	10	-3
Total, Office of Education.....	1,154	1,218	+64
Office of Vocational Rehabilitation:			
Salaries and expenses.....	245	261	+16
Advances and reimbursements.....			-----
Total, Office of Vocational Rehabilitation.....	245	261	+16
Public Health Service:			
Accident prevention.....	189	193	+4
Chronic diseases and health of the aged.....	316	359	+43
Communicable disease activities.....	888	958	+70
Community health practice and research.....	224	301	+77
Control of tuberculosis.....	253	239	-14
Control of venereal disease.....	562	682	+120
Dental services and resources.....	236	258	+22
Nursing services and resources.....	117	138	+21
Hospital construction activities.....	224	254	+30
Air pollution.....	410	450	+40
Milk, food, interstate, and community sanitation.....	325	340	+15
Occupational health.....	185	197	+12
Radiological health.....	663	800	+137
Water supply and water pollution control.....	960	1,147	+187
Hospital and medical care.....	7,017	7,031	+14
Foreign quarantine activities.....	623	655	+32
Indian health activities.....	5,457	5,531	+74
Construction of Indian health facilities.....	86	86	-----

Reconciliation of year-end employment estimates for fiscal years 1962 and 1963—Con.

Organization unit and account title	1962 estimate, end of year	1963 estimate, end of year	Difference, 1963 estimate less 1962
Public Health Services—Continued			
National Institutes of Health:			
General research and services.....	416	504	+88
National Cancer Institute.....	1,539	1,603	+64
Mental health activities.....	1,007	1,055	+48
National Heart Institute.....	1,055	1,169	+114
National Institute of Dental Research.....	244	255	+11
Arthritis and metabolic disease activities.....	590	610	+20
Allergy and infectious disease activities.....	641	681	+40
Neurology and blindness activities.....	716	831	+115
NIH management fund.....	4,289	4,492	+203
Subtotal, National Institutes of Health.....	(10,497)	(11,200)	(+703)
National health statistics.....	336	381	+45
National Library of Medicine.....	225	244	+19
Emergency health activities.....	62	192	+130
Salaries and expenses, Office of the Surgeon General.....	609	624	+15
Operation of commissaries, narcotic hospitals.....	13	13	-----
Bureau of State Services management fund.....	645	736	+91
Service and supply fund.....	367	402	+35
Working capital fund, narcotic hospitals.....	67	67	-----
Advances and reimbursements.....	519	529	+10
Public Health Service trust funds.....	7	7	-----
Total, Public Health Service.....	32,082	34,014	+1,932
St. Elizabeths Hospital:			
Salaries and expenses.....	3,745	3,779	+34
Advances and reimbursements.....	1	-----	-1
Total, St. Elizabeths.....	3,746	3,779	+33
Social Security Administration:			
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance.....	33,909	35,490	+1,581
Assistance for repatriated U.S. nationals.....	6	6	-----
Salaries and expenses, Bureau of Family Services.....	365	424	+59
Salaries and expenses, Children's Bureau.....	248	262	+14
International Social Security Association meeting.....	-----	1	+1
Salaries and expenses, Office of the Commissioner.....	90	113	+23
Salaries and expenses, White House Conference on Children and Youth.....	-----	-----	-----
Operating fund, Bureau of Federal Credit Unions.....	475	502	+27
Advances and reimbursements.....	116	116	-----
Total, Social Security Administration.....	35,209	36,914	+1,705
Special institutions:			
Freedmens' Hospital: Salaries and expenses.....	910	1,060	+150
Gallaudet College: Salaries and expenses (non-Federal employees).....	225	237	+12
Howard University: Salaries and expenses (non-Federal employees).....	2,029	2,085	+56
Total, special institutions.....	3,164	3,382	+218
Office of the Secretary:			
Salaries and expenses.....	312	367	+55
Salaries and expenses, Office of Field Administration.....	595	622	+27
Surplus property utilization.....	99	97	-2
Salaries and expenses, Office of the General Counsel.....	168	194	+26
Juvenile delinquency and youth offenses.....	12	14	+2
White House Conference on Aging.....	-----	-----	-----
Working capital fund.....	163	165	+2
Advances and reimbursements.....	161	43	-118
Advances and reimbursements (trust account).....	1	1	-----
Total, Office of the Secretary.....	1,511	1,503	-8
Grand total, DHEW (including Gallaudet College and Howard University).....	79,769	84,347	+4,578
Grand total, DHEW (excluding Gallaudet College and Howard University).....	77,515	82,025	+4,510

JUSTIFICATIONS FOR EXPANSION OF EMPLOYMENT

Mr. LAIRD. Mr. Secretary, you indicated last year that with a certain amount of administrative flexibility you would be able to eliminate employees, that you had been successful in this area in the State of Connecticut, and that you would be able to make substantial savings.

Secretary RIBICOFF. Gentlemen, I didn't have that flexibility. I remember I asked to be able to shift from one category to another.

Mr. LAIRD. I understand you didn't have that flexibility. But do you think that these increases were brought about because you didn't have this flexibility?

Secretary RIBICOFF. I don't know, frankly. Not having had it, I have no way of judging what we could have done. I was hoping to be able to shift from one category to another, which we couldn't do.

When the Congress votes additional appropriations, additional functions, and additional services, it takes more people to do them. This isn't a department that decreases. It is a department that Congress keeps increasing its functions and its responsibilities year in and year out.

What we have tried to do, as you increase them, is to keep as manageable as possible the additional employees that we take on. But when you vote a program that needs 500 people, there is no place to get them but to hire them to do the job. This Department keeps on expanding. We have gone from \$4 billion this year to our budget for 1963 which is over \$6 billion.

When you increase the budget by 50 percent, you are going to have to have more people to do these functions.

OBLIGATIONS AND EMPLOYMENT, DECEMBER 31, 1962

Mr. LAIRD. Also I would like to have placed in the record the table on obligations and employment at the end of the first 6 months of this fiscal year, similar to the one you have prepared the last 3 or 4 years.

Mr. KELLY. Yes, sir. We have prepared the table.
(The table referred to follows:)

	Available for obligation	Available for obligation less reserve	Obligated as of Dec. 31, 1961	Unobligated balance as of Dec. 31, 1961	Personnel employed as of Dec. 31, 1961	Average number of positions budgeted for 1962
FOOD AND DRUG ADMINISTRATION						
Salaries and expenses.....	\$22,783,000	\$21,637,000	\$10,080,386	\$12,702,614	2,103	2,224
Salaries and expenses, certification, inspection, and other services.....	2,806,622	1,790,000	719,426	2,087,196	145	172
Pharmaceutical animal laboratory facility.....	1,750,000	1,750,000	5,500	1,744,500		
Total.....	27,339,622	25,177,000	10,805,312	16,534,310	2,248	2,396
OFFICE OF EDUCATION						
Land-grant college aid.....	3,775,000	3,775,000	3,775,000			
Promotion and further development of vocational education (annual appropriation).....	33,672,000	33,672,000		14,365		
Project grant vocational education (permanent appropriation), grants.....	7,161,455	7,161,455	33,657,635			
Further endowment of colleges of agriculture and the mechanic arts, grants.....	8,194,000	8,194,000	8,194,000			
Colleges of agriculture and the mechanic arts (permanent appropriation), grants.....	2,550,000	2,550,000	2,550,000			
Grants for library services, grants.....	8,721,986	8,721,986	7,427,703	1,294,283		
Payments to school districts, grants.....	231,293,000	231,293,000	40,652,163	190,640,837		
Assistance for school construction, grants.....	94,312,372	94,312,372	15,347,890	78,964,482		
Defense educational activities, grants.....	248,609,745	232,767,000	58,950,407	189,659,338		
Expansion of teaching in education of the mentally retarded, grants.....	1,000,000	1,000,000	144,500	855,500		
Cooperative research.....	5,000,000	4,648,000	3,936,854	1,063,146		
Expansion of teaching in education of the deaf, grants and administration.....	1,575,000	1,238,000	5,296	1,569,704	4	6
Salaries and expenses.....	11,774,000	11,651,000	5,361,665	6,412,335	1,027	1,042
Salaries and expenses (foreign currency).....	17,087	17,087		17,087		
Total.....	657,655,645	641,000,900	187,164,568	470,491,077	1,031	1,048
OFFICE OF VOCATIONAL REHABILITATION						
Grants to States.....	64,450,000	64,450,000	32,222,013	32,227,987		
Research and training.....	20,250,000	19,198,000	16,138,143	4,091,857		
Research and training (special foreign currency program).....	1,902,267	1,902,267	1,109,887	1,792,080		
Salaries and expenses.....	2,325,000	2,285,000	1,124,584	1,200,416	219	208
Total.....	88,927,267	87,835,267	40,614,327	39,312,940	219	208
PUBLIC HEALTH SERVICE						
Buildings and facilities: Other.....	23,256,685	11,927,085	508,192	22,748,493		
Accident prevention:						
Grants.....	1,921,000	1,827,000	1,052,040	868,960		
Other.....	1,697,000	1,633,100	637,979	1,059,021		
Total.....	3,618,000	3,460,100	1,690,019	1,927,981	135	149

See footnotes at end of table.

1962 obligations and employment as of Dec. 31, 1961—Continued

PUBLIC HEALTH SERVICE—continued					
	Available for obligation	Available for obligation less reserve	Obligated as of Dec. 31, 1961	Unobligated balance as of Dec. 31, 1961	Personnel employed as of Dec. 31, 1961
Chronic diseases and health of the aged:					
Grants.....	\$6,950,000	\$8,319,000	\$2,662,244	\$4,287,756	
Other.....	4,008,000	3,444,000	1,190,406	2,817,594	
Total.....	10,958,000	11,763,000	3,852,650	7,105,350	240
Communicable disease activities: Other.....	10,000,000	9,730,465	5,107,878	4,892,122	836
Communicable disease activities 1961-62: Other.....	892,000	892,000	210,574	681,426	
Community health practice and research:					
Grants.....	22,375,000	20,173,000	18,537,154	3,837,846	
Other.....	1,961,000	1,956,400	932,855	1,008,165	
Total.....	24,336,000	22,129,400	19,489,989	4,846,011	205
Control of tuberculosis:					
Grants.....	4,000,000	4,000,000	3,730,705	269,295	
Other.....	2,493,000	2,493,000	1,294,830	1,238,150	
Total.....	6,493,000	6,493,000	4,985,535	1,507,445	210
Control of venereal diseases:					
Grants.....	2,585,000	2,585,000	1,940,036	644,944	
Other.....	3,415,000	3,415,000	2,192,736	1,215,244	
Total.....	6,000,000	6,000,000	4,139,812	1,860,188	528
Dental services and resources: Other.....	2,500,000	2,300,000	1,098,689	1,401,311	217
Nursing services and resources:					
Grants.....	6,625,000	6,625,000	5,801,925	823,075	
Other.....	1,050,000	934,100	432,478	617,522	
Total.....	7,675,000	7,559,100	6,234,403	1,440,597	88
Hospital construction activities:					
Grants.....	209,728,000	209,728,000	14,219,830	195,508,170	
Other.....	1,772,000	1,772,000	882,264	889,736	
1961-62 grants.....	124,515,001	124,515,000	45,121,909	79,393,092	
Total.....	336,015,001	336,015,000	60,224,003	275,790,998	183
					191

1962 obligations and employment as of Dec. 31, 1961—Continued

PUBLIC HEALTH SERVICE—continued						
	Available for obligation	A available for obligation less reserve	Obligated as of Dec. 31, 1961	Unobligated balance as of Dec. 31, 1961	Personnel employed as of Dec. 31, 1961	Average number of positions budgeted for 1962
Mental health activities:						
Grants.....	\$92,020,000	\$86,996,000	\$33,197,777	\$58,822,223		
Other.....	16,856,000	16,452,558	7,365,399	9,490,601		
Total.....	108,876,000	103,448,558	40,563,176	68,312,824	881	927
National Heart Institute:						
Grants.....	113,682,000	95,190,000	51,157,268	62,524,732		
Other.....	18,230,000	17,079,500	7,342,455	10,887,545		
Total.....	131,912,000	112,269,500	58,499,723	73,412,277	811	903
National Heart Institute for 1962—Dec. 31, 1962.....	1,000,000	1,000,000		1,000,000		
National Institute of Dental Research:						
Grants.....	13,984,000	12,059,000	5,434,955	8,549,045		
Other.....	3,356,000	3,245,000	1,498,462	1,857,538		
Total.....	17,340,000	15,304,000	6,933,417	10,406,583	222	228
Arthritis and metabolic disease activities:						
Grants.....	69,809,000	64,995,000	42,606,935	27,202,065		
Other.....	12,022,000	11,722,000	5,573,254	6,448,746		
Total.....	81,831,000	76,717,000	48,180,189	33,650,811	505	531
Allergy and infectious disease activities:						
Grants.....	43,825,000	43,157,000	24,990,818	18,834,182		
Other.....	12,266,000	11,945,000	5,203,270	7,062,730		
Total.....	56,091,000	55,102,000	30,194,088	25,896,912	619	627
Neurology and blindness activities:						
Grants.....	56,240,000	49,614,000	23,643,832	32,596,168		
Other.....	14,572,000	12,618,000	4,845,393	9,726,607		
Total.....	70,812,000	62,233,000	28,489,225	42,322,775	521	605
Grants for cancer research facilities: Grants.....	5,000,000	5,000,000	1,501,123	3,498,877		

1962 obligations and employment as of Dec. 31, 1961—Continued

	Available for obligation	Available for obligation less reserve	Obligated as of Dec. 31, 1961	Unobligated balance as of Dec. 31, 1961	Personnel employed as of Dec. 31, 1961	Average number of positions budgeted for 1962
SPECIAL INSTITUTIONS						
American Printing House for the Blind: Education of the blind.....	\$670,000	\$670,000	\$670,000			
Freedmen's Hospital: Salaries and expenses.....	3,736,000	3,733,000	1,685,643	\$2,050,357	894	880
Gallaudet College: Salaries and expenses.....	1,656,000	1,656,000	804,131	851,869	213	222
Construction.....	946,333	946,333	158,141	788,192		
Total.....	2,602,333	2,602,333	962,272	1,640,061	213	222
Howard University: Salaries and expenses.....	7,668,200	7,668,200	3,487,206	4,180,994	1,567	1,518
Plans and specifications.....	551,600	551,600	13,569	538,031		
Construction.....	4,771,405	4,771,405	65,855	4,705,550		
Total.....	12,991,205	12,991,205	3,566,630	9,424,575	1,567	1,518
Total.....	19,999,538	19,996,538	6,884,545	13,114,993	2,674	2,620
OFFICE OF THE SECRETARY						
Salaries and expenses, Office of the Secretary.....	2,906,000	2,837,000	1,377,234	1,528,766	291	299
Salaries and expenses, Office of Field Administration.....	4,685,000	4,538,000	2,211,911	2,426,089	572	555
Surplus property utilization.....	862,000	851,000	404,477	457,523	100	96
Salaries and expenses, Office of General Counsel.....	1,404,000	1,398,000	687,169	721,831	153	162
Juvenile delinquency and youth offenses.....	8,200,000	6,446,000	30,138	8,169,862	6	10
Total.....	18,002,000	16,170,000	4,710,929	13,351,071	1,122	1,122
Total, Department of Health, Education, and Welfare.....	4,814,728,648	4,713,407,534	2,695,199,661	2,119,528,987	67,132	67,175

1 Includes \$106,792 in transit.

2 Includes estimated reimbursements of \$17,308,000.

3 Appropriation apportioned on a deficiency basis. President's budget includes a supplemental proposed for later transmission which is excluded from the figures given above.

RACINE, WIS., WORKSHOP AUDIT

Mr. LAIRD. Mr. Secretary, now I would like to call to your attention a little matter that I would normally take up with the Director of the Office of Vocational Rehabilitation. But I have taken this up with the Director of the Office of Vocational Rehabilitation from time to time over a period of about 18 months.

I have been having a great deal of difficulty in resolving it. I think I have to go right to headquarters with it, and that is you.

It has to do with an exception which was taken on an audit review in the State of Wisconsin on a workshop project which was established in Racine. The audit exception takes the period of July 1, 1956, through June 30, 1958, into account.

This audit states that the matching funds for the workshop at Racine were improperly derived or improperly collected by the State. Our attorney general has written a letter to the Department. We have also filed an exception to the audit report. It just seems to me that this thing has been dragging on too long. I cannot understand the basis for this audit exception.

I tried to get word to you, and I think it was passed on to you or to your people, that I would be inquiring about this particular matter. I would like to get this thing resolved.

LEGAL MEMORANDUM PENDING

Secretary RIBICOFF. My understanding is that our General Counsel has almost completed a legal memorandum on this in reply to your attorney general. Preliminarily, just in oral conversations, the feeling is that legally nothing else can be done.

Mr. Cohen is considering legislation to make sure that in the future such a situation like this will not prevail. However, this doesn't give you much comfort.

Mr. LAIRD. Mr. Secretary, I know how these funds were credited to the State, and the attorney general of our State has said that they were under the complete control of our State board, and that the State board couldn't have earmarked them in any way for any specific project once the check is turned over to the State board.

I just can't see how there is any question about this item.

Mr. COHEN. Mr. Laird, I am very sympathetic. My friends in Wisconsin have come and talked to me about this same matter, and several times when I have been in Wisconsin I have looked into it very carefully. I think there is a good deal of merit.

However, when you go back and also look at the legislative history of the legislation, which we have gone into quite a good deal, there doesn't seem to be an explicit provision in the law that would authorize this. The lawyers, therefore, are very much concerned that they cannot do this, or they are recommending legally that the Secretary cannot do this under the statute the way it is written now.

That is the reason why I think, while it has not been completed—

Mr. LAIRD. Are you going to go out to Wisconsin now and collect this money?

Mr. COHEN. If the audit exception were taken, in this case, of course, they wouldn't get the Federal funds for that project. The same situation, I may say, is true in Michigan.

SIMILARITY OF OTHER PROJECTS

Mr. LAIRD. This same situation, by the way, is true all over the United States. I have 47 projects that I am going to come to you with, if you come out with that kind of a decision, in which the circumstances are exactly the same.

If you uphold this exception in Wisconsin, you set back our vocational rehabilitation program tremendously. Our legislature has already met, and we have a biennial budget. If this exception is taken, it really raises Cain with our vocational rehabilitation program in the State. And it will have nationwide effect, because I assume you will follow up in other States where private contributions were made and where there is clear evidence that these people made the contributions, knowing full well that the State board was going to come back and match their contribution with Federal funds. There are many projects like that.

In Wisconsin we have been leaning over backwards not to take undue advantage of the vocational rehabilitation funds. We were the first State to set up a counseling service in our mental hospitals, and in all our State hospitals.

Never has the State put in an application for Federal money to finance this program. There are some 15 States that are having their whole vocational rehabilitation program in these State hospitals, matched.

WELFARE RECIPIENTS REFERRED TO VOCATIONAL REHABILITATION

In Wisconsin every welfare recipient is referred to vocational rehabilitation. We have never filed an application for Federal aid in these welfare costs because they are handled in the welfare agency.

It just doesn't seem to me that this is being properly handled. I think your Department could lean over a little bit on this exception.

Mr. KELLY. I would like to say, Mr. Laird, that we recognize it is a very large exception and that it was an unfortunate one. And if the General Counsel comes to the conclusion that there is no alternative but to sustain it, I am much in hopes that we can work out some arrangement whereby the impact of the total \$104,000 does not affect the State rehabilitation program in 1 year, but that the adjustment can be made over a period of years in order to minimize the impact on the Federal-State program in Wisconsin.

Mr. LAIRD. I think we ought to go back retroactively and pick up all the money we could have had matched in our welfare program. Some States have been putting in claims for years on the basis of similar programs.

That is all I have, Mr. Chairman.

Mr. MARSHALL (presiding). Mr. Michel.

Mr. MICHEL. Mr. Secretary, I have some questions here, several of which may be a little bit too specific for you to have the answer for here today; but I might at least propound them and then you can supply some answers for the record, if you would.

Secretary RIBICOFF. Yes, sir.

COST OF CURRENT PROGRAM OF MEDICAL ASSISTANCE TO THE AGED

Mr. MICHEL. On table 19 of the January social security bulletin, under the heading "Medical Assistance for the Aged," it shows 61,019 recipients in 15 States with total payments for the month of \$12.5 million, an average of \$205.71 per recipient. Of this, \$3.75 million is paid in Massachusetts; \$1½ million in Michigan; \$7½ million in New York; and one-third million dollars in West Virginia, with about \$500,000 divided among the other 11 States.

For these four named States alone, the annual rate of expenditures occurring in September of 1961 was about \$145 million.

Your estimate for 1962 for the total program was \$115,837,000, and a Federal share of \$60 million was estimated. What are your present estimates for 1962, and then for 1963?

Mr. KELLY. Mr. Michel, if I might supply it, I will. But I would like to say to you that the President's budget contemplated the submission of a supplemental of \$140 million, a significant portion of which related to the cost estimates for the medical care for the aged program, and for the program for assistance to the children of unemployed fathers.

We have just reexamined the latest information that is available to us; and on the basis of the number of States that have introduced the program and the size of the program at this time, we have concluded that our estimate was overstated by \$55 million. That is in the two programs. I don't recall how much is in each.

Mr. COHEN. \$25 million was for medical, and \$30 million was for aid to dependent children.

Mr. KELLY. At this point of time, although we think it has some impact on the distribution of our 1963 estimate, we don't really believe it will occasion a change in the 1963 estimate because it still appears that the States will come in, but that they have not come in as rapidly as we anticipated, and this reduces our cost in 1962.

I would like to submit, if I may, a table that compares these figures and tells you exactly what they are.

(Note: The table may be found at p. 156.)

Mr. MICHEL. The old age assistance payments, according to table 18 of that January bulletin, were some \$156 million for September 1961. This would represent an annual rate of benefit payments and procurement of medical care for recipients of about \$1,870 million per year, with a simple computation.

Your 1962 estimate was for \$2,028,900 expenditure for benefits, and \$131,400,000 administrative expenses, with \$1,213,300,000 for Federal share of grants; and \$65,300,000 Federal share for administration.

My question is, What do you now estimate for 1962 and then for 1963?

Mr. KELLY. The 1962 figure, our figure for the payment to recipients, the Federal share, is \$1,209,500; and that estimate has just been tested and found to be a sound one.

Mr. MICHEL. How much of this is for medical care?

Mr. KELLY. First may I say that none of it is for medical care under the Kerr-Mills bill concept, but there is the provision for the medical care of the old age assistance recipients which was also bolstered by the Kerr-Mills bill. I would have to get you the figure. But we treat the medical care of the nonpublic assistance recipients as

a separate category. But the cost associated with the medical care of those who are also receiving money payments under public assistance are treated as a part of that \$1,200 million.

I will get you the specific amount which is for that purpose.
(The information may be found at p. 157.)

1963 BUDGET RELATED TO PROPOSED MEDICAL CARE PROGRAM

Mr. MICHEL. Do your 1963 estimates assume enactment or nonenactment of the proposed social security medical care program?

Mr. KELLY. I don't want to say they assume nonenactment. They assume that the effective date of the health insurance program for the aged under social security would not be early enough to have an impact on the 1963 fund requirements.

Mr. MICHEL. I am sure there are several here that you won't have immediate answers to: What percent of the aged social security recipients receive old-age assistance? What percent of old-age recipients receive social security?

Mr. KELLY. We have both of those figures.

Mr. COHEN. About 700,000 total.

Mr. MICHEL. I am going to give you a copy of these questions and the reporter a copy. I have just a couple of other things.

Mr. KELLY. Unless the figures have significantly changed, it is 5 percent of the social security recipients who are on public assistance, and about 20 percent of those on public assistance are social security recipients.

EXTENT OF INCREASE PROJECTED FOR 1963

Mr. MICHEL. Mr. Secretary, on pages 5 and 6 of your opening statement, your present overall request for HEW expenditures is \$5.1 billion. Your enacted and proposed appropriations for 1962 are about \$337 million less. You stated that new legislation is being proposed and that under the new legislation you plan to ask about \$1.2 billion more in appropriations.

So your increase for 1963 would be then about \$1.5 billion more for 1963 than for 1962.

Secretary RIBICOFF. That's right.

Mr. MICHEL. Or an increase of about a third. Does this proposed increase include or exclude the proposed medical care?

Secretary RIBICOFF. That excludes it. That is financed from contributions from employees, employers, and from the self-employed.

TRAINING PUBLIC WELFARE PERSONNEL

Mr. MICHEL. Then one final question: Last year you requested funds for training public welfare personnel, but no appropriation was made.

Mr. KELLY. That's correct.

Mr. MICHEL. You are requesting \$3.5 million again for this purpose in 1963. How do you arrive at that figure, even though it hasn't been favorably acted upon up here?

Mr. COHEN. In the budget there is an explanation.

Mr. MICHEL. Has that been a constant figure over the years when you have made this request?

Mr. KELLY. I think at one time we requested \$5 million, but for the most part I think our request has been in the neighborhood of \$3.5 million.

Mr. COHEN. I would say, sir, that that estimate is based on the idea of what you might be able to do during the first year. In other words, it is not what the need is. The need is many, many times greater than that.

But as Mr. Kelly explained earlier, I think we have adjusted it downward to face the realities of how you would have to start that kind of a program. The need is so much greater than we just felt that somewhere between \$3.5 and \$5 million would realistically be what we could undertake the first year that Congress authorized it.

Mr. KELLY. There is a program laid out as to the number of persons and the amount of money that would be related to short-term training and the number of persons and the amount of money that would be related to long-term training for presently employed persons, and the amount of money that would be spent for long-term training of persons who are contemplating employment in this field.

PROGRAM FOR MEDICAL CARE OF THE AGED

Mr. MICHEL. Let me give you those questions precisely and then you can answer them. If they could be supplied for the record as quickly as possible, then if I have any further questions relating to specifics, when your agency folks are here, I know it is much more in keeping with their responsibility to answer those and that will satisfy my desires, Mr. Chairman.

(The questions and answers are as follows:)

QUESTIONS ON MEDICAL ASSISTANCE FOR THE AGED

Table 19 of the January Social Security Bulletin, under the heading "Medical Assistance for the Aged" shows 61,019 recipients in 15 States with total payments for the month of \$12½ million—an average of \$205.71 per recipient. Of this 3¼ million is paid in Massachusetts, 1½ million in Michigan, 7½ million in New York, and one-third million in West Virginia—with about one-half million divided among the other 11 States.

For these four named States alone, the annual rate of expenditures occurring in September 1961 was about \$145 million. Your estimate for 1962 for the total program was \$115,837,000 and a Federal share of \$60 million was estimated.

(1) What are your present estimates for 1962? For 1963?

What Federal grants do you anticipate?

The old-age assistance payments, according to table 18 of the January bulletin, were some \$156 million for September 1961. This would represent an annual rate of benefit payments and procurement of medical care for recipients of about \$1,870 million per year; would it not?

Your 1962 estimate was for \$2,028,900 expenditures for benefits, and \$131,400,000 administrative expenses, with \$1,213,300,000 for Federal share of benefits, and \$65,300,000 Federal share for administration.

(2) What do you now estimate for 1962? For 1963?

How much of this is for medical care?

(3) Do your 1963 estimates assume enactment or nonenactment of the proposed social security medicare program?

(4) What percent of the aged social security recipients receive old-age assistance?

(5) What percent of the old-age assistance recipients receive social security?

(6) What total additional costs of hospital construction do you estimate must be incurred to take care of the additional load arising from the social security medicare program if it is adopted?

(7) Can you furnish the committee an overall estimate of Federal, State, and local costs of medical care, hospitalization, and nursing homes for the aged under present programs, and of your recommended expansions of and additions to these programs?

I note on pages 5 and 6 of your opening statement that your present overall authority for HEW expenditures is \$5.1 billion, your enacted and proposed appropriations for 1962 about \$337 million less. You state that new legislation is being proposed and that under this new legislation you plan to ask about \$1.2 billion more in appropriations. So your increase for 1963 would be about \$1.5 billion more for 1963 than for 1962. That would be an increase of about a third; would it not?

(8) Does this huge proposed increase include or exclude the proposed medicare benefits under social security?

(9) What portion of the medical care expenditures under public assistance and under the special medical care program goes for hospitalization and the convalescent benefits which are proposed under the social security medicare program?

(10) What percent of these expenditures goes for doctor's visits and non-hospital services, medicine, et cetera, which would not be provided under the proposed medicare program?

In your opening statement (p. 3) referring to the community Health Facilities Act, you stated that it "will also lay the groundwork for the expansion of services required if a program of health insurance for the aged is enacted and becomes truly effective."

TRAINING PUBLIC WELFARE PERSONNEL

Last year you requested funds for training public welfare personnel, but no appropriation was made. You are now requesting \$3½ million for this purpose for 1963.

(11) Will you explain what has occurred since last year justifying your present request?

(1) What are your present estimates [for medical assistance for the aged] for 1962? For 1963? What Federal grants do you anticipate?

Both questions are answered in the following table:

Medical assistance for the aged: Estimates of Federal, State, and local expenditures for assistance payments and administration, and the Federal share thereof, fiscal years 1962 and 1963

	Fiscal year		
	1962 estimate		1963 estimate as requested in President's budget
	Included in President's budget for fiscal year 1963	Revised	
Amount for assistance and administration:			
Total.....	\$278,900,000	\$230,900,000	\$431,200,000
Federal share.....	\$145,800,000	\$120,800,000	\$233,300,000
Amount for assistance payments:			
Total.....	\$258,800,000	\$214,900,000	\$400,500,000
Federal share:			
Amount.....	\$135,800,000	\$112,800,000	\$218,000,000
Percent.....	52.5	52.5	54.4
Amount for administration:			
Total.....	\$20,100,000	\$16,000,000	\$30,700,000
Federal share.....	\$10,000,000	\$8,000,000	\$15,300,000
Number of recipients during year.....	495,500	413,300	722,300
Average payment per recipient on whose behalf payments are made.....	\$520	\$520	\$550

(2) What do you now estimate [for expenditures under old-age assistance] for 1962? for 1963? How much of this is for medical care?

Both questions are answered in the following table:

Old-age assistance: Estimates of Federal, State, and local expenditures for assistance payments and administration, and the Federal share thereof, fiscal years 1962 and 1963

	Fiscal year	
	1962 estimate	1963 estimate
1. Amount for assistance and administration:		
Total.....	\$2,000,200,000	\$2,019,100,000
Federal share.....	\$1,269,900,000	\$1,287,800,000
2. Amount for assistance payments:		
Total.....	\$1,878,700,000	\$1,894,800,000
Federal share:		
Amount.....	\$1,209,500,000	\$1,226,000,000
Percent.....	64.4	64.7
3. Amount for administration:		
Total.....	\$121,500,000	\$124,300,000
Federal share.....	\$60,400,000	\$61,800,000
4. Average monthly number of recipients.....	2,278,000	2,244,000
5. Average monthly payment.....	\$68.75	\$70.35
Amount for medical care included in item 2, above:		
Total.....	\$465,000,000	\$472,200,000
Federal share.....	\$271,400,000	\$275,800,000
Percent.....	58.4	58.4

(3) Do your 1963 estimates assume enactment or nonenactment of the proposed social security medicare program?

Since the health insurance for the aged program would not become effective until October 1, 1963, the 1963 estimate would be the same regardless of enactment or nonenactment of the proposed program.

(4) What percent of the aged social security recipients receive old-age assistance?

About 7 percent of all old-age, survivors, and disability insurance beneficiaries aged 65 or more also receive old-age assistance.

(5) What percent of the old-age assistance recipients receive social security?

Thirty-one percent of all old-age assistance recipients also receive old-age, survivors, and disability insurance benefits.

(6) What total additional costs of hospital construction do you estimate must be incurred to take care of the additional load arising from the social security medical program if it is adopted?

The new program will, of course, result in some increased utilization of general hospital facilities but we do not know how much at this time. We do not think, however, from past experience that this will represent a serious immediate burden, and we feel that the demand for additional general hospital construction probably will be minimal. The additional costs will be relatively small in terms of the total ongoing expenditures for general hospital construction.

Inasmuch as the health insurance for the aged would provide for care in nursing homes and at home as well as inpatient care in hospitals, we do feel that there is now an urgent need for expansion in the number of nursing home beds as well as other community health programs for the aged rather than a large increase in general hospital beds.

The base of expansion of such facilities and services was laid when the Congress passed the administration sponsored Community Health Services and Facilities Act. This act doubled the authorization for the construction of nursing home facilities under the Hill-Burton program; authorized increased grants for schools of public health to train professional personnel to man community health projects; increased by \$20 million the authorization for formula grants to States and communities to develop and extend programs of care for the aged and chronically ill such as home nursing services, restoration and rehabilitation services, and improved nursing home services; and provided a new authorization for project grants to States and public or private nonprofit agencies to develop studies and demonstrations of health services outside the hospital.

Implementation of these new and increased authorizations in the Community Health Services and Facilities Act of 1961 were reflected in 1962 with supplemental appropriations of \$15,875,000. The 1963 budget seeks an additional \$12,908,000 for these programs. It is apparent that facilities and services of this type are badly needed regardless of the method by which the health care needs of the aged may be financed.

Nevertheless, it is certain that demands on these nursing-home facilities and community health services will be increased should Congress enact a program of health insurance for the aged since studies show that the aged have extensive health needs that cannot be financed under the low levels of income which they as a group receive. We know also that insured older persons do use more hospital care than the uninsured. It is not, however, possible to assess the magnitude of increased demands on facilities at this time, particularly in view of the fact that we cannot foresee the full impact of community health programs for the care of the aged outside of hospitals and related facilities.

One further consideration to bear in mind is that a health insurance program will not only make demands on facilities and services but will also help finance such facilities and services by stimulating their development as a result of the income received from the payment of full reasonable costs of the covered services.

(7) Can you furnish the committee an overall estimate of Federal, State and local costs of medical care, hospitalization of nursing homes for the aged under present programs and of your recommended expansions of and additions to these programs?

The latest estimate available as to total Federal, State, and local expenditures for medical care for the aged is \$1.4 billion during calendar year 1960. This includes expenditures for medical care under all public programs, including primarily the public assistance program, the Veterans' Administration's medical care program, State mental and tuberculosis hospital care program, and State and local programs for the indigent and medically indigent. It should be noted that this includes the care provided for aged persons in tuberculosis and mental hospitals. However, it includes little expenditure for the medical assistance for the aged program, as this was not established until October 1960. Total expenditures under this program were \$43 million in fiscal year 1961. The estimated fiscal year 1961 expenditures for medical care under the old-age assistance program were \$453 million. The estimate of Federal, State, and local expenditures includes vendor payments for medical care directly to the suppliers of such care and amounts of medical care provided through money payments to recipients under the old-age assistance program.

The proposed health insurance for the aged program, under which certain health benefits would be provided persons aged 65 or over entitled to old-age and survivors insurance benefits, would, it is estimated, cost about \$1.015 million in the first full year of operation. This self-financed program would offset some of the costs of medical care for the aged which must presently be borne from general revenues. The offset in Federal expenditures would probably be in the order of \$100 to \$125 million.

(8) Does this huge proposed increase include or exclude the proposed medicare benefits under social security?

The effective date of the health insurance program would not be early enough to have an impact on the 1963 fund requirements.

(9) and (10) What portion of the medical care expenditures under public assistance and under the special medical care program goes for hospitalization and the convalescent benefits which are proposed under the social security medicare program? What percent of these expenditures goes for doctor's visits and nonhospital services, medicine, etc., which would not be provided under the proposed medicare program?

Under the administration's health insurance for the aged proposal, certain inpatient hospital care, skilled nursing home care, outpatient hospital diagnostic services and home health services would be provided persons aged 65 and over who are entitled to old-age and survivors insurance benefits. There is a deductible amount which must be paid by the beneficiary for both inpatient hospital care and for outpatient diagnostic services. The skilled nursing home benefit is limited to convalescent care and therefore care will be provided only after transfer from a hospital and for the conditions which required hospitalization. Because of these provisions, it is difficult to compare benefits under the assistance programs with those under the proposed health insurance program.

In fiscal year 1961, 33.8 percent of the medical vendor payments under old-age assistance programs were made for hospitalization, and 34.2 percent for nursing and convalescent home care. Similarly, under the medical assistance for the aged program 29.8 percent of the fiscal year 1961 expenditures were for hospitalization and 64 percent for nursing and convalescent home care. On the basis of this, we estimate that approximately one-third of the expenditures for vendor payments under these two programs were made for benefits similar to those proposed under the health insurance for the aged program, and about two-thirds for expenditures of the type which would not be covered under that proposal.

(11) Last year you requested funds for training public welfare personnel, but no appropriation was made. You are requesting \$3.5 million for this purpose in 1963. Will you explain what has occurred since last year justifying your present request?

The administration has this last year undertaken the most far-reaching re-examination of public welfare programs ever made since their enactment in 1935. From this examination, have come the administrative changes which have already been effected and the legislative measures which have been proposed to Congress for improving the public welfare programs. These changes and proposals stress the provision of counseling services and other constructive measures to reduce or prevent dependency and help public assistance recipients and applicants to achieve a larger measure of independence and self-care.

It is obvious that these services cannot succeed to the extent they should unless there are trained welfare workers capable of examining cases and determining what special services are needed, providing whatever counseling may be needed, and generally assuring the well-being of children in families with unmarried parents, deserting fathers, or other hazardous situations which threaten their physical and moral development.

A number of demonstration projects have shown that problems such as these can best be dealt through reduced caseloads and the efforts of trained public welfare workers. Thus, if such programs are to be carried out on a nationwide basis more trained workers are needed. In 1960, for example, only 13 percent of the administrative and supervisory personnel in the public assistance agencies had full professional training and only about 1 percent of the case-workers have such training—fewer than in 1950 when a similar manpower survey was made.

Thus the need for trained workers is apparent; the Federal Government is requiring more constructive services to welfare applicants and recipients; and, in order to be effective in providing these services, the Federal Government is requiring States to prepare a 5-year plan for staff development and to establish a full-time training position in each State agency by July 1, 1962. Under these circumstances, the Federal Government should, we believe, be prepared to demonstrate its own dedication to the aims of these innovations in welfare programs by supporting the costs of training welfare workers as it already supports the costs of training individuals for work in health, rehabilitation, and education programs.

Mr. MARSHALL. The committee will resume at 2 o'clock.

AFTERNOON SESSION

Mr. DENTON. The committee will come to order. We are glad to have you back again, Mr. Secretary.

Secretary RIBICOFF. Glad to be here, Mr. Chairman.

PROPOSED ADMINISTRATIVE CHANGES IN PUBLIC WELFARE

Mr. DENTON. Mr. Secretary, the papers have reported that you are recommending 10 administrative changes in the public welfare program that do not require a change in the legislation. Would you please go over those with us?

Secretary RIBICOFF. Yes, I will.

DESERTING PARENTS

The first one is a more effective location of deserting parents.

Mr. DENTON. While we are on that, you know I have had a so-called Run Away Pappy bill in for a great many years and I have asked every Secretary about it. My first session here I got a hearing on it. I have never got one since. I do think out of that hearing we had—Jerry Ford had one too, and Andy Jacobs had a similar bill—but out of that hearing, we got these reciprocal laws passed through the States. There still is a hiatus there.

Secretary RIBICOFF. You might be surprised, sir, if I tell you that I am ready to back your bill. If you ask for a report you will have the support of the President's Secretary of HEW.

Mr. DENTON. I am sure glad to know that.

Secretary RIBICOFF. I think it makes sense.

Mr. DENTON. We did have support for the Children's Bureau as far as civil action is concerned, not criminal. Of course, the FBI are the ones—

Secretary RIBICOFF. This is the problem. Just last session, the Attorney General had passed a number of measures which formerly were considered to be purely intrastate problems, and this would be along the same line. I do not know what the attitude would be, of course, of the FBI and the Attorney General. I imagine they might feel this overburdens them.

Mr. DENTON. The trouble is, you see, you cannot extradite most of these people, because they are not fugitives from justice. They did not run to avoid prosecution, so you cannot bring them back.

Secretary RIBICOFF. You have got a surprising answer you did not expect.

Frankly, I think if we are going to do the job, I think your bill could be very effective.

Mr. DENTON. Well, I am very glad to hear that.

Secretary RIBICOFF. The number of desertions across State lines is increasing and we feel that we must spur all possible efforts to locate deserting parents.

Now, these efforts involve the following course of action by the State. Each State shall establish within its administrative organization for public assistance a special unit responsible for locating deserting parents of children who are applicants or recipients of public assistance. This unit will be separately identified and adequately staffed. It will assist law enforcement officers and others in their efforts to require effective discharge of family responsibility.

The objectives of this special unit will be to reunite families whenever feasible, and to obtain financial support. Among the responsibilities which this unit would help perform would be:

(a) Handling intrastate and interstate inquiries concerning deserting parents and coordinating and supervising such activities of local public welfare agencies within the State.

(b) Reciprocal cooperation with other States in helping to locate deserters, obtain support from parents who live in States other than where their dependents are, and assess ways of restoring broken homes; and

(c) Establishing procedures for analyzing all desertion cases to make sure the agency is making every possible effort to locate the deserter.

CONTROL OF FRAUD

Second, administrative actions to reduce and control fraud.

Existing——

Mr. DENTON. Before you get over into fraud——

Secretary RIBICOFF. Yes, sir.

Mr. DENTON. Now, of course, here is one thing that you people do help out a good deal with; and that is a prosecutor can go to Welfare, Welfare goes to Social Security and you do locate a lot of runaway fathers that way.

Secretary RIBICOFF. That is right.

Mr. DENTON. Of course, you have done that administratively, but I think that has been a very good step.

Secretary RIBICOFF. It has, sir.

Mr. DENTON. Go ahead. Excuse me.

Secretary RIBICOFF. Existing administrative requirements should be strengthened by inclusion in the State plan the following:

(a) A definition of fraud in accordance with State law as it relates to receipt of assistance payments;

(b) The administrative procedures by which the State will assure that it has proper and efficient methods of identifying, investigating, evaluating, and referring cases in which there is reason to believe there may be fraud by assistance applicants or recipients;

(c) Methods that will be used in investigation of instances of suspected fraud that are consistent with the legal rights of individuals;

(d) Designation of a point of responsibility within the State welfare department for the followup and, if indicated, referral for legal action, of cases in which fraud appears likely;

(e) State supervision, review, and control, by which the agency will assure that the plan provisions for dealing with cases of suspected fraud are carried out; and

(f) Keeping records and making periodic reports.

The third one——

Mr. DENTON. Now, just a minute, while you are on that.

Secretary RIBICOFF. Yes, sir.

Mr. DENTON. I think you do have in most State laws now where you could prosecute people for fraud. I think it is more a question of enforcement.

Secretary RIBICOFF. That is right.

Mr. DENTON. Than it is having more laws.

Secretary RIBICOFF. Well, not only of enforcement but to get this all in one agency and one department, requiring that there would be a special unit created in each State welfare department whose duty will be as a special fraud unit to make sure that these are searched out and found out, instead of letting them go. I think many States would like to prosecute. But I think the procedures have been sort of loose and lax and it is our feeling that there should be a special unit.

Mr. DENTON. Of course, you do not have uniform State laws.

Secretary RIBICOFF. No, no. We are saying that each State should act in accordance with the laws of its own State, but that each State should have a unit to take care of the fraud cases, under its own definitions of fraud, sir.

Mr. DENTON. When required in the State legislation, they act under the State law.

Secretary RIBICOFF. I would say they should. This is an administrative department in every State welfare department. This would not require a change of the State law at all.

INCOME CONSERVING ALLOWANCES FOR CHILDREN

Allowing children to conserve income for education and employment.

Title IV of the Social Security Act provides that assistance be given only to dependent children who are in need. The existing policies make it clear that States may permit a child with income to use it to meet certain special needs without a deduction from the public assistance grant. These include costs for medical care, school expenses, extra clothing, and transportation needed for employment, and so forth. All of these needs for which the child's income may be used relate to something which is currently needed by the child.

Not enough emphasis has been given, however, to the possibilities of recognizing certain additional needs of children that would require expenses in the future for which their own income should be conserved. These needs include education, medical services, and preparation for employment. We must not stifle incentives for children to earn money that will contribute to their future independence.

The present policy should, therefore, be modified to permit the States to develop their own arrangements under which income of children can be dedicated to appropriate future needs, without a deduction from the public assistance payments.

States should be encouraged to take full advantage of the opportunities this change in policy affords.

In other words, what we are——

Mr. DENTON. I heard it said upstairs a few minutes ago that we will spend millions for higher education and college but not 1 cent for the grade schools.

Secretary RIBICOFF. Yes.

Mr. DENTON. Now, this might be more popular with some people than we think, as to higher education.

Secretary RIBICOFF. Well, there is no question about it, but you know the difficulty we have had on elementary and secondary education. What we are trying to do with this and other administrative rulings, is to make sure that we can do everything possible for at least our children on relief. Suppose you have a youngster in an ADC family who goes out and runs errands and earns \$10 a week. If that \$10 a week is deducted from what his mother gets, these children just do not want to get a job.

I want to encourage children to work. I think it is good for children to work.

Mr. DENTON. I think that is a very good illustration.

Secretary RIBICOFF. I am anxious to have children work.

Now, what I have in mind is this. Suppose we say to the mother: We want Johnny to work; he is a big boy; he ought to shovel snow; he ought to run errands; he ought to go out caddying. You ought to think ahead, of Johnny's future.

Now, if there are arrangements made that Johnny puts that money in the bank to finance his future education or vocational training or to purchase special tools or equipment for a trade, then what we are

doing is building up a situation where Johnny will be encouraged to work; there will be the incentive for Johnny, who will know that this money is being used for his future.

And our whole objective in all our welfare reforms and proposals is to move these people off relief to get them self-supporting and self-respecting. It has been a completely new philosophy of anything that has gone on in the last 25 years. And everything we are doing is designed to that end.

Mr. DENTON. Just go ahead.

SAFEGUARDING CHILDREN OF UNMARRIED PARENTS

Secretary RIBICOFF. The next step is safeguarding the children in families of unmarried parents.

In about one-fifth of all ADC families a parent is unmarried. These families face serious social problems, which are of concern not only to themselves but to the entire community.

For all ADC families but especially for this particular type of case, receiving an assistance payment is not a complete answer. If we are going to avoid as far as possible more illegitimate births, if we are going to help these families become responsible citizens, we have to render to this category of families special services that we have seen can be effective. Providing these special services will involve the following steps in each State:

(a) Careful examination of ADC families with an unmarried parent, and of the special problems they face, to see which families are most in need of special services and which problems can best be resolved by services;

(b) Placing the selected families in caseloads sufficiently small so that effective services can be provided to them, and making sure that special services are in fact rendered;

(c) Assigning to these cases staff members who are best qualified by education and experience to provide the kind of services that are needed;

(d) Increasing the frequency of home visits to these families so that those with serious social problems are seen at least once every 3 months; and

(e) Coordination with the child welfare services program to assure the maximum use of child welfare staff in providing consultation and services for the special problems of these families.

Five—

Mr. DENTON. Is that another program?

Secretary RIBICOFF. Yes, sir.

Mr. DENTON. Let me just talk a little bit about that question.

Secretary RIBICOFF. Certainly.

Mr. DENTON. Of course, the father of these children born out of wedlock still has to support them under most State laws.

Secretary RIBICOFF. He sure does, if you can ever find him. This is one of the great problems; first identify the fathers.

Mr. DENTON. I know when I was a prosecutor during the depression I tried many of them.

Secretary RIBICOFF. I was a judge, too, and we used to have these cases. And I remember we had in Connecticut then what was called bastardy proceedings.

Mr. DENTON. That is what we had.

Secretary RIBICOFF. And the mother, of course, could bring the father in on a civil action, but once we could identify the father—the prosecutor used to bring them in, and once we had a ruling that this was the father, we could then hand down an order to pay x dollars a week. But in many of these cases you know it is impossible to make an identity.

Mr. DENTON. Of course, the judges I saw very seldom ruled for a defendant in that type of case.

Secretary RIBICOFF. Yes.

Mr. DENTON. But when I was prosecutor, we had an old obsolete bastardy law. You started the action in the justice of peace court. When I was in the legislature we enacted a modern law covering a child born out of wedlock. We have a very modern statute in Indiana on that.

Secretary RIBICOFF. Yes.

Mr. DENTON. Well, now, I hear this said a great many times. That legislation should be passed to prohibit relief being given to a second or third illegitimate child; one or two, all right, but when you get over one or two, there ought to be some legislation passed to stop that.

What do you think about that?

Secretary RIBICOFF. Let me say this. Suppose you pass a law like that. Who is going to support them? The innocent child, that is. This is a great problem we have.

Tomorrow the President will send in his welfare reform message, which will have the legislative steps that require a change.

Last year we did pass an amendment to provide that in the event a court found that a home was unsuitable, then the child could be taken from that home and put in a foster home, and payments would be made to the foster parents.

In other words, the Louisiana situation, which was bad and which my predecessor had ruled illegal, was where you had the second and third child and where it was ruled that the home was not suitable, but the child was still left in the home.

Now, our contention was—and my predecessor's contention, Mr. Fleming, and I concurred with him—that you could not discriminate, because you had to treat all children the same. And you were really punishing innocent children. But if you thought the home was unsuitable and a court found it was unsuitable, the child was then put into a suitable home.

The parents would be deprived of those funds, and the funds would be used to pay the foster parents.

So we are advocating the continuation of that policy in legislation. But I do not see how you could pass a law that would hold water if a State said that you do not support the third child. Who does support the third child?

Mr. DENTON. Well, of course, they would have to be supported on relief.

Secretary RIBICOFF. Yes; that is right.

Mr. DENTON. Or charity of some private nature.

Secretary RIBICOFF. That is right. Sometimes you have private charity and sometimes you do not; so basically it still becomes a State charge.

Mr. DENTON. I remember Mr. Schottland said you shouldn't punish the child for what the parents did wrong.

Secretary RIBICOFF. That is right.

This was the shortcoming of the Newburgh approach.

I do not know how many of you saw the showing on Sunday night; I saw a special showing this morning; a very unusual documentary; it did a fantastic job of showing what this problem really is.

Mr. MARSHALL. Will you yield?

Mr. DENTON. Yes.

Mr. MARSHALL. Off the record.

(Discussion off the record.)

UNIFIED WELFARE PROGRAM

Mr. DENTON. Let us go back on the record.

Now, Mr. Secretary, along the line that we have been talking about, here is what disturbs me about welfare. I introduced you to a man that served with me in the State legislature more years than I want to remember. And that was right after we passed the Welfare Act; and that was after they told us that welfare was a stopgap, that everybody would be under social security, but that a great many people now could not get under social security, and welfare was a temporary pension to take care of them.

I went on this committee about 10 years ago; and at that time the Government's share for welfare was about \$1 billion. And this appropriation is \$2.6 billion now; and the old people are going down.

Now, I still think we ought to be going toward a point where we have one system and everybody is under social security; but we are going further and further away. I think we ought to work toward one welfare program. I know these Federal workers are a dedicated people, and they are doing good work; but I am afraid if we build up too much administrative structure for social security, we will build up a Frankenstein that will prevent us merging these programs into one.

Secretary RIBICOFF. You have a number of factors. First, you have to consider that the public welfare program also covers people on old-age assistance. That keeps going down as more and more people are covered and time takes care of that. However, you have the blind, you have the disabled.

Mr. DENTON. Yes.

Of course you have got the totally disabled and blind.

Secretary RIBICOFF. That is right. But I mean who might never have worked, so they do not build up a social security fund.

You have the ADC program, which covers about 2,800,000 children and about 700,000 parents.

Mr. DENTON. What program is that?

Secretary RIBICOFF. Aid to dependent children.

Mr. DENTON. Oh, yes.

Secretary RIBICOFF. Which is the one that keeps on going up.

Mr. DENTON. Now, of course, social security is supposed to cover that.

Mr. KELLY. It covers the survivorship part, Mr. Denton.

It does not cover the part where there is a deserting father. It only covers the part where the children are the survivors of a person covered by old-age and survivors insurance.

Mr. DENTON. Yes; that is right.

Secretary RIBICOFF. Or if it is a mother with children who are illegitimate, that do not have a father.

So, basically, you do have many situations where those are not covered by social security. And I do not know how you could cover them in.

Mr. DENTON. Well, I do not know. It might be cheaper for the Government and the States and local governments to have it under a social security program, rather than to have this welfare, which is the most unsatisfactory of our social security programs.

Secretary RIBICOFF. It is unsatisfactory but we have it and we have people who are always in trouble and people that are problems that somehow do not qualify, and they are sick and they are indigent and you still have the problem: what are you going to do with them?

COST OF PUTTING THE AGED UNDER A SINGLE PROGRAM

Mr. KELLY. In just the old-age category, Mr. Denton, we have looked into this question of just how much it would cost if you blanketed old persons, persons over 65, in.

Mr. DENTON. We looked into that last year.

Mr. KELLY. That is right.

When you take into consideration that somewhere between a third and a half of those over 65 are not covered by social security or beneficiaries under public assistance, to blanket them in without any means test would mean that all of them would be eligible for benefits, and the cost to the Federal Government would be very considerably greater.

Mr. DENTON. Than it is now?

Mr. KELLY. Than it is now; yes, sir.

Mr. DENTON. Practically everybody is under some form of a pension plan now.

INCREASED NUMBERS COVERED BY SOCIAL SECURITY

Mr. KELLY. Today, 9 out of 10 persons are working in covered employment, are covered by social security. But, you see, the average age of the people on the old-age assistance, welfare, program today is over 75 years of age. And 80 percent of the people on the old-age assistance rolls are not covered by social security.

Mr. DENTON. Yes. But now, Mr. Kelly, we are heading toward a point where all those people are going to be under social security.

Mr. KELLY. Yes, sir. And I think our earlier predictions, as you say, going all the way back to 1935, when the act was passed, is that the decline would occur much more rapidly than it has. But it still would seem to me to be the inevitable fact—it is declining. And with the average age that now prevails on the public assistance rolls for the aged, it just seems inevitable that it is going to diminish rapidly.

Mr. DENTON. Now, here is what I am worried about. If you build up a welfare system and the aged do all get under social security,

what is going to become of your welfare workers you have trained? Won't many people have an incentive to return to the welfare system?

Secretary RIBICOFF. In the first place you do not have enough people to handle it. That would be very devoutly hoped for. I would hope the time would come when we did not have people on relief of any kind. I think it would be the ideal society, and I would not worry about what we do with the people that are doing that kind of work, frankly. We will put them to work someplace else. I think we would be the gainers.

Mr. DENTON. I am hoping to see the two programs go together, and I am just afraid that a big army of welfare workers would be a detriment to attaining that goal.

Secretary RIBICOFF. Well, I would say this: The records show that there are only 4 percent of the welfare workers who have really had what we consider an adequate training to be really what we consider to be topnotch welfare workers. The overwhelming majority are just people who have had little experience.

Mr. DENTON. Most of them do a good job.

Secretary RIBICOFF. The overwhelming majority do not have experience. I am not worried about building up an army of welfare workers: I am worried about not having enough to do a proper job in many instances.

Some communities are exceptions, certainly.

Mr. DENTON. All right; go ahead.

Secretary RIBICOFF. Five, safeguarding children in families in which a father has deserted.

SAFEGUARDING CHILDREN IN HAZARDOUS HOME SITUATIONS

And, sixth, safeguard children in hazardous home situations. Here we are requiring the same type of situation as we did in the fourth—of families with illegitimate children, about the inadequate visits and the proper supervision.

And under the safeguarding children and hazardous home situations we have the further requirement that arrangements should also be made for including in the State plan—

(a) The conditions under which various protective methods will be used in making payments to such families when appropriate to the individual cases weekly and bimonthly, instead of monthly, and also use of legal representatives in guardianship; and

(b) A program for increased State and local leadership and participation, in the development of community service for rehabilitation of these cases.

In other words, the kind of case that Fred was talking about is where the children are in a hazardous situation for health and safety; that you might, under those circumstances, consider a guardianship or legal representative in order to spend the money properly on the children, instead of having it spent in a hazardous home.

IMPROVEMENT OF TRAINING PROGRAM

Improvement of State-staffed training and development programs. The central core of proper and efficient administration is personnel, adequate and appropriately trained to do the job. With the changing characteristics of public assistance caseload and the emphasis more and more toward preventive and rehabilitative aspects of public welfare, we need in each State an adequate staff development program.

There is a shortage of these trained people, and each State should have a statewide staff development plan which would include both in-service training and opportunities for professional and technical education.

In issuing new requirements in this area, we must recognize that States will need time before they can be expected to have the fully developed training program which is contemplated.

Accordingly, provisions should be made for permitting the various steps to be implemented gradually, starting with the requirement for the submittal of a 5-year plan and at least one full-time training position in each State by July 1, 1962.

In other words, what we are saying is that we recognize that there are not enough people with the proper background and training and that each State should set up an inservice and technical training program.

I know that when I was the Governor of Connecticut, we did that in our welfare department in connection with the University of Connecticut School of Social Service, where we had a training and staff director and a staff, and we would have lectures and time during the day when some of our people would have special training; then we would give leave of absence for our social workers to go to summer school or to take periods during the year where they could have adequate training.

Now, what we are saying, since we recognize that you cannot get enough social workers, each State should have the responsibility of setting up within their own State a training arrangement where they can better train their own people.

Mr. DENTON. Is that the whole program?

DEVELOPING SERVICE TO FAMILIES

Secretary RIBICOFF. No.

Developing services to families: Too much emphasis has been placed on just getting an assistance check into the hands of the individual. If we are ever going to move constructively in this field, we must come to recognize that our efforts must involve a variety of helpful services, of which giving a money payment is only one, and also that the object of our efforts must be the entire family. To reflect this we have made a change in the name of the Bureau of Public Assistance to the Bureau of Family Services.

MORE EFFECTIVE FAMILY WELFARE SERVICES

And (9) encouraging States and localities to provide more effective family welfare services.

There will be established in a newly designated Bureau of Family Services a division to be known as the Division of Welfare Services.

This Division will give special attention to activities carried on by the States in the area of reduction in dependency; services to children of unmarried mothers and deserting fathers; services to families with special problems arising from financial mismanagement or mental or physical inadequacies; studies of work relief activities, and incentives to employment; and other activities of this nature, which can contribute to the prevention and alleviation of dependency among the aged, blind, and disabled persons, including the development of more effective legislative proposals to accomplish these objectives.

COORDINATION OF WELFARE SERVICES

Coordination of family and community welfare services: In order to assure that the maximum benefits are derived from our programs carried on by the Children's Bureau and related ADC program by the Bureau of Family Services, there shall be established a new position of Assistant Commissioner in the Social Security Administration, whose job it will be to coordinate all these administrative rulings.

Now, we did call to Washington this Monday the welfare directors of all the 50 States. They have been meeting with us now for 3 days. The meeting breaks up today.

Mr. DENTON. I was going to ask you about that.

Secretary RIBICOFF. We have asked them to come here and go over all of these administrative changes with a full and frank discussion of their problems: What is there about these problems they find sticky; which of these rulings are they unhappy about; where do they think there will have to be changes?

The meeting has been going on for 3 days. Today there will be discussed with them the President's proposals that will be submitted to the House tomorrow. The President is sending up a special message tomorrow with a draft bill to put the legislative changes into effect.

Now, of course, I would have liked to have attended those but I have been here with the Appropriations Committee, and my staff has been attending, and I understand they have been very, very fruitful meetings. I addressed the opening meeting, then I had to come right up here.

REHABILITATION OF WELFARE CASES

Mr. DENTON. I think it is very commendable to try and take people off the welfare rolls and try to remedy the situation, but I do not believe you are going to be able to do much with people 75 years of age who are on old-age assistance.

Secretary RIBICOFF. I do not think we can at all, sir.

Mr. DENTON. And as far as the blind are concerned, you can do some good through vocational rehabilitation.

Secretary RIBICOFF. That is right.

Of course, our whole approach is to try to bring more rehabilitation into the welfare field.

Mr. DENTON. Of course, vocational rehabilitation under social security has been unsatisfactory, as you know. Most of the people are too old to be rehabilitated.

Secretary RIBICOFF. Yes. Well, we can rehabilitate many of the mothers.

Now, it is a very interesting thing that, out of the 92,000 cases where rehabilitation took place last year, about 15,000 of those cases were on public assistance. Now, the cost of those—

Mr. DENTON. You mean under vocational rehabilitation?

Secretary RIBICOFF. Of the people who were rehabilitated under the vocational rehabilitation program, about 15,000 of those were receiving public assistance.

STATE SUPPORT

Mr. DENTON. Now, you have not been able to get a reaction from the States to your program as yet, have you?

Secretary RIBICOFF. Oh, yes, we have.

Mr. DENTON. You have?

Secretary RIBICOFF. I have received communications from many, many Governors and I would say overwhelmingly the sentiment has been very, very enthusiastic from the Governors who have written me.

The meeting here that I just reported on this noon, when I ran back, that, generally, there was a vote of commendation from the 50 State administrators of our efforts and what we were doing. There was general approval. I think we had a limit in our legislation of one-half of 1 percent which would get the so called—not having direct payments, they wanted that percentage taken off. And there was some question about foster homes.

But, generally, my understanding is that the welfare administrators from the 50 States are very much in back of this program, and they are very enthusiastic about it.

Mr. DENTON. You say it will take statutes and legislation to accomplish part of this program?

Secretary RIBICOFF. Oh, yes. What I have given you requires no legislation.

Mr. DENTON. That is what I was going to get at.

Secretary RIBICOFF. No, sir. What I have given you I have done administratively.

Mr. DENTON. Now, have you passed any regulations on that?

Secretary RIBICOFF. What I read you is our part of the regulations.

Mr. DENTON. Yes.

PROPOSED LEGISLATIVE PROGRAM IN FIELD OF WELFARE

Secretary RIBICOFF. Now, however, a program will come up tomorrow to Congress based on programs such as work relief, voucher payments, the change in the formula for the service costs, from 50 percent to three-quarters, the Federal Government paying three-quarters of the costs; and many other items.

Mr. DENTON. You mean the Government will pay three-quarters of the cost of welfare workers?

Secretary RIBICOFF. Not pay three-quarters of the cost of welfare workers; three-quarters of the cost of the rehabilitative, vocational education and other welfare services.

Mr. DENTON. I see.

Secretary RIBICOFF. That goes into the program.

The ordinary administrative costs will still be on the 50 percent basis. The investigations and the paperwork and things like that. But since we want to get them off relief, we want to encourage the States to do this, we are saying to the States: If you will get a teacher or vocational rehabilitation person to work with them and get them off relief, we will pay three-quarters of that cost instead of half that cost.

Mr. DENTON. Then I get it that there are no formal regulations, but that the paper that you have is an effective directive?

Secretary RIBICOFF. No. These are——

Mr. KELLY. This was a memorandum from the Secretary to the Commissioner of Social Security saying: I want you to implement these. Now, he has, in turn, incorporated these changes into new regulations, new handbook items, and new circulars to the States.

COSTS OF ADMINISTERING NEW REGULATIONS

Mr. DENTON. Have you made any estimate of what the costs will be?

Secretary RIBICOFF. Yes. The administrative changes for next year will cost about \$17 million, about half of it to the States and half of it to the Federal Government.

Mr. DENTON. Where is that reflected in this budget?

Secretary RIBICOFF. In the budget it is reflected—there is \$93 million.

Mr. KELLY. Well, in the overall budget for grants for public assistance.

Secretary RIBICOFF. That is it. But the President has provided a legislative program which will be submitted tomorrow costing \$93 million.

Mr. KELLY. And that is shown as proposed for later transmission for new legislation.

Secretary RIBICOFF. For new legislation.

Mr. DENTON. As I get it from you, of course, administrative expense will be on a 50-50 basis.

Secretary RIBICOFF. That is right.

Mr. DENTON. But if it is a vocational rehabilitation case, the Government will pay three-fourths to the State?

Secretary RIBICOFF. That is right.

Mr. DENTON. Now, have any of the States indicated that they are willing to put up their share for this program?

Secretary RIBICOFF. I would say so far the law has not been passed. The Federal law has not been passed.

Mr. DENTON. Yes.

Secretary RIBICOFF. Of course, the State legislatures have not met. Basically, this is still a volunteer basis. We do not make the States do this, but if the States do it, they will get three-quarters of the cost.

Our feeling is that we have enough examples to show in the long run this pays and I think the States will go along.

Now, let me go back to make the point of the 15,000 people on rehabilitation.

PROJECTED REDUCED COSTS THROUGH VOCATIONAL REHABILITATION

The 15,000 people who received public assistance and who were rehabilitated through vocational rehabilitation were drawing in public assistance \$18 million. Now, by a coincidence, it cost \$18 million for the rehabilitation of these 15,000 people.

Now, the difference is that, instead of having your recurring expense of \$18 million a year, by one expense of \$18 million, we were able to take 15,000 people off of relief. So, therefore, there is a fantastic saving when you consider on one shot, you are able to get people off relief, get them working, earning pay and paying taxes, instead of drawing relief year in and year out.

Now, we have had many pilot programs such as we are talking about.

Mr. DENTON. This is a pilot program; these are pilot programs?

Secretary RIBICOFF. I think there was one in Indiana. I could give you examples. I do not have them at the tip of my tongue. But there have been private programs across the Nation where there have been very substantial savings on concentrated social work, concentrated rehabilitative service, where people move off relief and there are substantial savings to the Federal and the State and local taxpayer.

Mr. DENTON. As I get this, your expenses will go up some \$17 million for administrative expense, of which you pay half and the States will pay half?

Secretary RIBICOFF. To put into effect these administrative changes that I have read to you will cost \$17 million.

Mr. DENTON. Yes.

Secretary RIBICOFF. The legislative program that the President will send up tomorrow will cost about \$93 million.

Mr. DENTON. Now, that is administrative expense and paying welfare workers and things like that?

Secretary RIBICOFF. No.

Mr. KELLY. This would include both assistance payments as well as administrative expenses and service costs.

Mr. DENTON. And how much do you estimate you would have in savings?

Secretary RIBICOFF. In the first year, I could not estimate anything the first year, because you cannot turn this over right away, if you are going to rehabilitate a person.

Mr. DENTON. All right, let us take the second year.

Secretary RIBICOFF. Honestly, I cannot tell you. I do not know. Our feeling is that it will work and I would not try to kid the Congress along by making them a promise. But we feel this is in the right direction and that you cannot tell until you put the program into effect.

GRANTS TO STATES FOR TRAINING PUBLIC WELFARE PERSONNEL

Mr. DENTON. I notice that you are asking for \$3,500,000 for grants to States for training public welfare personnel. Similar requests were made in 1958, 1960, and 1962, and in each case Congress refused to appropriate any funds. How is the program you propose now different, or how have conditions changed, to make you think that Congress would be willing to appropriate funds for this program now when they have not been in the past?

Secretary RIBICOFF. I don't think what we are asking Congress to do is to appropriate funds for a stale old policy that everybody was unhappy with. Now, we are saying—we have turned around and finally brought in a new change and a new philosophy in welfare. And we believe that now if you are going to do this job right, you have to have people that know their business to carry them out. Therefore, to make this work, let us get the people who know how to make it work. And I think that we have a different problem and a different program to present to the Congress, asking for the \$3½ million, frankly.

INTERNATIONAL SOCIAL SECURITY MEETING

Mr. DENTON. I notice you are asking for \$100,000 for an international social security meeting. That is something new. I have not seen it before.

Secretary RIBICOFF. That is right.

Mr. DENTON. What is this \$100,000 going to be spent for, and what kind of a meeting is this?

Secretary RIBICOFF. Well, every year there are some 43 nations that have social security programs, and these meetings are held in different countries every year. Last year it was held in Turkey. This year it will be held in the United States.

This is part of the international committee where different countries come together to discuss the problems. Many of them are similar, some are dissimilar, and this will be the cost of that international conference.

I would say it would be a great opportunity to show the people all over the world that the United States cares, and what the United States does for its people. We have a program we should be very proud of. And I think this would be a very good investment in international relations. This, would be a very good investment domestically. And I think we would be continuing as a great Nation to do what other small and poorer nations have done to run these conferences.

It is our turn to have it in the United States this year.

Mr. DENTON. Now, is this \$100,000 going to be the full Federal appropriation?

Secretary RIBICOFF. This is the full amount; yes.

Mr. DENTON. You will not ask for any more, and no other agency will ask for any more?

Secretary RIBICOFF. No. This is the entire amount for the conference.

Mr. DENTON. Do other governments contribute anything toward this?

Secretary RIBICOFF. They pay the expense of their own people that come over, and travel expenses. And they pay the expenses, I suppose, of people staying here.

But, basically, the host country picks up the bill. Each country that has it picks up the general overall expenses to run the conference.

DISABILITY CLAIMS UNDER SOCIAL SECURITY

Mr. DENTON. Now, I am going back to your disability claims under social security.

Secretary RIBICOFF. Surely.

Mr. DENTON. Of course, that is legislation, and there is nothing you can do about it.

But under the legislation the local social security man gets the facts, and then he sends them to State vocational rehabilitation, who hires the doctors. And they make an investigation, and then you review them in Washington. And there is a roundabout process causing a delay of about 3 months, and costs the Government about \$25 million a year.

Have you ever thought of any recommendation to correct that situation? This duplicative effort?

Secretary RIBICOFF. My predecessor appointed a committee to look into this, and I guess they spent considerable time. I guess they got outside people to look into it.

Mr. KELLY. Yes.

Secretary RIBICOFF. And I think their conclusion was to leave the program as it was. Now, I do not know—I am reluctant, within a year, to go ahead and have another task force with the expense, with only one short intervening year.

Mr. DENTON. Of course, the subcommittee of the Ways and Means Committee investigated it too.

Secretary RIBICOFF. Yes.

ST. ELIZABETHS HOSPITAL

Mr. DENTON. The budget schedules for St. Elizabeths Hospital indicate that you are asking for an increase of less than 1 percent, in additional positions. This certainly is not going to keep up with the progress they have been making out there for the last few years, is it?

Secretary RIBICOFF. Well, I think on this we asked for a few more, but they were disallowed.

Mr. KELLY. It will make some progress.

Secretary RIBICOFF. Let us look at the average employees per 100 patients. The budget will give us 53 employees for every 100 patients. patients.

In 1959, there were 39 employees; in 1960, 42; in 1961, 45; in 1962, 50; in 1963, 53 employees for every 100. That shows that in 5 years we have jumped from 39 per 100 to 53, which is pretty good progress.

Mr. DENTON. How many additional positions should be allowed if you built the staff up to the level suggested by the last study that was made of St. Elizabeths? Do you want to put that in the record?

Mr. KELLY. Yes, sir, I will.

Secretary RIBICOFF. Yes, we will put that in.

(The information requested follows:)

Total staffing requirements under adjusted staffing survey

Total permanent positions required per 1957 staffing survey, adjusted to include staffing authorized for the new maximum security building opened in fiscal year 1960-----	4, 528
Total positions provided for in 1963 budget-----	3, 655
Additional permanent positions required over 1963 proposed staffing levels-----	873

AMOUNT REQUESTED OF THE BUDGET BUREAU

Mr. DENTON. Now, how much did you ask of the Bureau of the Budget, and how much did the Bureau of the Budget cut your request for St. Elizabeths?

Mr. KELLY. May I give you the figures?

Mr. DENTON. I have them right here. I want them in the record, though.

Mr. KELLY. I would rather give you the totals, rather than whether or not they are appropriations or reimbursements.

Mr. DENTON. All right.

Mr. KELLY. The St. Elizabeths Hospital made a request to the Department for \$27,379,000. The Department made a request to the Budget Bureau for \$25,495,000. And the budget before you contains \$24,270,000.

Mr. DENTON. That is a pretty heavy cut, is it not?

Mr. KELLY. Yes, sir.

May I say that the Secretary's request to the Bureau of the Budget provided for staffing of the new facilities plus 150 positions.

Mr. DENTON. Yes. Of this, how much is paid by the District of Columbia and how much is paid by the Government?

Mr. KELLY. About 70 percent is paid by the District.

In the total budget of \$24,270,000—

Mr. DENTON. Yes.

Mr. KELLY (continuing). \$18,296,000 of that is reimbursement. The preponderance of which is from the District. Part of it comes from other places.

Mr. DENTON. Yes.

ILLEGAL SALE OF BARBITURATES

Now, Secretary Fleming got quite a bit of publicity about a drive that he put on to cut down on the illegal sale of so-called "bennies" and related drugs. From what I hear, this problem is almost as big as ever. Is this because we have let up on enforcement, or is there some other reason?

Mr. KELLY. The legislative program for Food and Drug that we talked about yesterday does contain provisions for the Federal control of barbiturates and amphetamines that will give the Food and Drug Administration both an authority that they do not now have, which will significantly strengthen—

Mr. DENTON. I introduced a bill on that, and somebody had one ahead of me; or there was somebody on the committee that had one

ahead of me, and they said they were not going to have hearings, but if they did, they were not going to hear my bill; they would hear the other one.

You are familiar with that legislation. I got it from Food and Drug.

Mr. KELLY. Yes, sir.

Mr. DENTON. Which puts barbiturates in about the same category as narcotics.

Mr. KELLY. That is right.

Secretary RIBICOFF. We will have a bill up before the Congress.

Mr. DENTON. Do you favor that legislation?

Secretary RIBICOFF. Without a doubt. I think it is good legislation.

Mr. DENTON. I am glad you are going to recommend that kind of legislation.

Secretary RIBICOFF. Yes. We are, sir.

Mr. DENTON. I thought it was badly needed.

Secretary RIBICOFF. It is.

STATUS OF VOCATIONAL EDUCATION PROGRAM

Mr. DENTON. We hear a lot about training and retraining programs and a lot of new legislation has been proposed in this field. Why are no proposals being made to increase the authorization for the basic vocational education program?

Secretary RIBICOFF. This will probably be in the area retraining program and the vocational retraining program, the youth retraining program, which, my understanding is, will be in Labor. And then Labor assigns the vocational training over to us.

Mr. DENTON. Let me ask you, do you think—

Secretary RIBICOFF. We have appointed a special committee to report back next year for a complete review and bringing up to date the whole vocational training program in this country.

I personally am, have been, and always will be, a very strong advocate of vocational training. I think our State is one of the key States in the Union in this, in our vocational and technical training schools. I have been giving as much encouragement as I can to vocational training because I think it is very important to this country that we look out for this type of training, as well as higher education.

Mr. DENTON. Here is something we are going to hear a great deal—that you do not need this proposed legislation, that we can carry it out under existing programs such as apprenticeship training, vocational education, and also the training under distressed areas legislation.

Mr. KELLY. Well, under vocational education, under the George-Barden and the Smith-Hughes Act, the budget that is before you is for the maximum authorization under the law. Under the Area Vocational Act—

Mr. DENTON. What I am trying to get at, Mr. Kelly, is this: Suppose that we increased the amount of money that you could spend for that. Could you carry out this vocational training program with the unemployed if we did that?

Mr. KELLY. Well, your distribution across the country would go equally to places of low unemployment and to places of high employment. By special legislation, it is possible to distribute the funds so that they concentrate in the areas of the highest unemployment and underemployment.

Mr. DENTON. All right, let us go back to distressed areas. Now, that does go to distressed areas. Why would not that program work?

Mr. KELLY. Oh, it does.

Mr. DENTON. With an increased staff.

Mr. KELLY. It does and will be used. And the amount of funds in there for the vocational training is limited.

Mr. DENTON. Is limited?

Mr. KELLY. Yes.

Mr. DENTON. Of course, I think one answer to that is that it is so difficult to get the program in operation. Of course, we are all disappointed by how slow they have been in putting it in operation. And you have to get a local community to get an overall program before it gets into the thing. And then it only allows an educational program for too short a time.

I know in my hometown they have a program there for training tool men. Well, you cannot train a toolmaker in 12 to 16 weeks. You might get him started so he could go to a vocational education school but that is an occupation where you badly need men, and this program would not do that.

Mr. KELLY. I was not aware of that limitation on time, Mr. Denton.

Secretary RIBICOFF. I was not either. I did not know we had that short limitation.

Mr. DENTON. That is what this program that I have is, I think, 12 to 16 weeks. I do not know whether that is the law. But I do know that this program in my hometown provides for training toolmakers in 12 to 16 weeks. And that is a distressed area, but there is a big demand for machine toolmakers there. I think Bucyrus-Erie set up their own school there.

Mr. KELLY. Is it tied in with an apprentice school, do you know?

Mr. DENTON. No, it is their own program.

Now, as far as the apprentice program is concerned, I think most all the toolmakers took advantage of that. I know there were courses in that.

And even International Harvester, when they were making the M1 rifle, they used a program for that.

What would you say about apprenticeship training for this program?

Secretary RIBICOFF. I would say that that is also a very important function, but I think apprentice training is a Labor Department function.

Mr. KELLY. It is. But one advantage of the Area Redevelopment Act, and its approach, is to use in one community the several approaches of apprenticeship training, of on-the-job training, and of classroom training under vocational education.

Mr. DENTON. They told us they would work to get that program working in distressed areas.

When this training of employee legislation comes up, we are going to hear a good deal of the argument that if you would just carry out

your existing program, you do not need new legislation. And I think if you could use existing programs, it would be a good thing to think about before you brought up other legislation.

Of course, you do run this thing under different departments.

Secretary RIBICOFF. That is right.

Mr. DENTON. You and Labor.

Secretary RIBICOFF. That is right; and Commerce.

Mr. DENTON. And Commerce and Agriculture and even Small Business.

Secretary RIBICOFF. Yes.

Mr. DENTON. The vocational education program has worked out very well in my community.

Secretary RIBICOFF. It is a wonderful program.

Mr. DENTON. And the apprenticeship training program works very nicely in my community. The two work well together.

Secretary RIBICOFF. Well, we find, after the Labor Department identifies an area of need for vocational education, that we think they are very important programs, that it works out very well. I am for the continuing enlargement of the whole vocational education program.

MEDICAL CARE FOR THE AGED

Mr. DENTON. We have heard a lot about the social security law in connection with medical care for the aged. Do you expect that legislation will be passed?

Secretary RIBICOFF. Let me put it this way: We are going to do everything we possibly can to get that up for a vote.

Mr. DENTON. Of course, that is not what I asked you.

Secretary RIBICOFF. I know what you asked me. You are asking me to predict.

You know, we have the ways and means—well, let me put it this way: Senator Anderson today asked for a vote in the Senate Finance Committee to have hearings on the bill. The Senate Finance Committee turned him down. Now, Senator Anderson intends to tack on the medical care for the aged under social security on some other bill that is over in the House, and he is thinking of H.R. 10.

Now, then, of course the question comes up—all I know is what I read in the papers—the chairman of the Ways and Means Committee said he was against this legislation about last week.

Now, Cecil King is pressing for some action in the Ways and Means Committee. We hope that somehow a way can be found in the Senate and the House to get Congress on record. I think if Congress can ever get on record, it will become law.

ADEQUACY OF HOSPITALS

Mr. DENTON. We have had some difficulty about building hospitals. If this program goes through, how about our hospitals being able to take care of the demands that we will have?

Secretary RIBICOFF. I would say this—that, basically, it will be a year or two after its passage before its effects are felt. The question is not only of the hospitals, but we are proceeding ahead on the community facilities and nursing homes.

But my feeling is that there will not be any undue use of hospital facilities. I think that the people will still be using hospitals, and only the people who need hospitals will be using them, and I think more hospital facilities, and I hope we continue building them.

Mr. DENTON. Do you think that you have adequate hospital facilities now?

Secretary RIBICOFF. Well, I would say—I personally think we need more hospital facilities, and I hope we continue building them.

Mr. DENTON. Is that the reason they cut the appropriation for the Hill-Burton Act?

Secretary RIBICOFF. Well, the Budget Bureau's feeling is that there should be a study, and they feel we should go into different types of health care—community facilities, nursing homes, outpatient; and I think also the feeling is that the great shortage today is not in the rural small hospitals but in the big city hospitals which have not been the beneficiaries as much as the smaller communities under the Hill-Burton funds.

MEDICAL PROFESSIONALS AND FACILITIES FOR RURAL AREAS

Mr. DENTON. In communities that do not have any doctors, do not have any dentists, are you doing anything to see that those people can get medical attention?

Secretary RIBICOFF. Well, this is still a free country where people go wherever they want to go. I do not know what we can do as a Government to see to it that doctors go to rural communities without doctors. This is one of the arguments of our medical profession bill and the scholarship bills, that we must increase the supply of doctors. And I think that many communities are making heroic efforts and services and sacrifices to get good doctors in. This is a tough problem.

Mr. DENTON. I think that is all. Mr. Marshall?

Mr. MARSHALL. Mr. Secretary, I have listened with a great deal of interest to your testimony. You certainly are doing a fine job as Secretary of the Department of Health, Education, and Welfare, and I compliment you and your Department for the fine work that you are doing.

Secretary RIBICOFF. Thank you, sir.

1963 BUDGET REQUESTS COMPARED WITH PREVIOUS YEARS

Mr. MARSHALL. You are asking for fiscal 1963, \$4,994,811,455. Is that not the total amount of your request?

Mr. KELLY. I think that the figure you are using must be the figure that is before this committee. You recall that we had the Indian health program taken out, and we had part of the civil defense taken out. So that the figures that the Secretary has used of \$5.1 billion relates to the total program of the Department of Health, Education, and Welfare, including those activities considered by the other two subcommittees.

Mr. MARSHALL. How much did you spend last year?

Mr. KELLY. Our current plans, including the anticipated supplements, call for the expenditure of \$4,763,806,000, sir.

Secretary RIBICOFF. I think our operating budget for this year is \$4,662,772,000.

Mr. MARSHALL. I wonder if you would supply for the record the amount of money that you have spent in each fiscal year from 1955 to 1960. Will you do that?

Secretary RIBICOFF. Yes; we will, sir.

Mr. KELLY. Sir, when I gave you the figures I was talking about new obligation authority or appropriations as distinguished from expenditures, which somewhat lag.

You want the funds in terms of the funds Congress appropriated, rather than the disbursements?

Mr. MARSHALL. I would like the amount of money that you are requesting for 1963, the total amount, and then you have some money that you requested for proposed legislation.

Mr. KELLY. Yes, sir.

Mr. MARSHALL. I would like that separate so that we have got those two itemized so that we will get a picture of the workings of the Department.

Mr. KELLY. All right, sir.

(The requested information follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

New obligational authority and budget expenditures, fiscal years 1955-63

[In thousands of dollars]

	New obligational authority	Expenditures
1955.....	2,009,953	1,992,601
1956.....	2,107,492	2,070,753
1957.....	2,491,111	2,295,166
1958.....	2,749,189	2,645,026
1959.....	3,255,413	3,091,587
1960.....	3,514,572	3,403,173
1961.....	3,942,315	3,684,705
1962 estimate.....	4,763,806	4,468,710
1963 estimate:		
Under existing legislation.....	5,100,875	4,895,024
Under proposed legislation.....	1,177,200	287,955
Total, 1963 estimate.....	6,278,075	5,182,979

STRONTIUM 90

Mr. MARSHALL. Now, one of the things that seems to have caused quite a disruption, to the extent that it has been partially blamed for the increase that we have in dairy surpluses building up, are the releases that have come out of various sources relating to such things as the strontium 90 content found in milk and relating to the effects of fallout on milk.

My understanding from reading the President's comments recently about dairy products, is that he pointed out very well the value from a nutritional standpoint of the dairy products.

Now, I wonder if you might tell me just where the responsibility of the Department of Health, Education, and Welfare comes into this picture and what some of your problems have been in connection with this publicity that has been released?

Secretary RIBICOFF. Well, basically, we have been very, very careful in measuring radioactivity in all products, including milk, to always indicate that the amount of radioactivity in milk was such a minute amount that to remove milk from the market and remove milk from the diet would have a much greater detriment upon the people and the population of this country than any incidental harm that could possibly exist from fallout.

And to my knowledge—and, Jim, you correct me—I do not think at any time did we find it necessary to declare any milk, anywhere in the United States contaminated. If we did, we would have declared it. But we found at no time, during the past year, that the fallout in any area of the United States was of such a nature that the milk was unsafe to drink.

And I think we have been very, very careful to specifically point out in every report that came out of the Public Health Service how important it was for milk in the diet.

Mr. MARSHALL. This releasing of information concerning the effect of fallout on any of our foods could have a disastrous effect upon the producers of those commodities.

Secretary RIBICOFF. Yes.

Mr. MARSHALL. Through a fear complex.

Secretary RIBICOFF. Yes.

Mr. MARSHALL. And it might also be pretty disrupting from the standpoint of the health of our people if there is not something—

Secretary RIBICOFF. No, we have been very careful. After all, in my opinion, much of this has been sensationalized during this period.

We have been more careful and most zealous to always play all these reports in low key. We have been factual, we have been accurate, we have been most careful. And no report that ever came out of our Department has ever been on the sensational side.

The sensationalism that existed was given no impetus or encouragement from us. And after all, we are not responsible for think pieces; we are not responsible for headlines that someone might do or for some scientist or other person that might talk about it. There is no way we can control that. We try from our standpoint to be as accurate and nonsensational as possible.

Mr. MARSHALL. Would you think, Mr. Secretary, that some legislation might be necessary in order to provide confidence on the part of consumers in the information concerning fallout as it affects our food?

Secretary RIBICOFF. Well, I do not know. Frankly, I do not see how you are ever going to get legislation that in any way could be interpreted as censorship or trying to tell people what to print and what not to print.

I decry it as much as you. I have been a victim of it as much as you or other men in public life. And I do not know what you can do by legislating. You just have to depend upon the good common-sense of the American people.

We in the Federal Radiation Council have been very, very careful—and I do not think you will ever find anything from us that was in any way sensational.

Now, what you do on these think pieces and what you do on some of this stuff that is almost science fiction, as they say, I do not know how you can control that, Mr. Marshall.

PUBLIC INFORMATION ON FALLOUT

Mr. MARSHALL. Has the Department of Health under contemplation any pamphlet that might be circulated to give some up-to-date information concerning fallout?

Secretary RIBICOFF. Yes. As a matter of fact, the Federal Radiation Council is now in the process of completing another report to the President of the complete analysis of all the accurate information on fallout to date. And I can tell you now that basically it is reassuring, and a far cry from some of the sensational statements that have been made.

Mr. MARSHALL. I see.

Secretary RIBICOFF. But, of course, this has to be approved by the AEC and the Defense Department and Labor and ourselves, and Agriculture.

But this is in the process of completion now. We have made a very careful study of this subject.

Mr. MARSHALL. I am very much pleased to know that you are doing that, because I have been a little fearful of the effect of some of this sensational reporting and promiscuous dispensing of misleading information along the line of our food and fiber, since it has an impact upon consumption.

And at the same time, Mr. Secretary, I fully appreciate the necessity of, through research, finding the answers to these things, too.

Secretary RIBICOFF. This is what we are trying to do to the fullest extent possible, and everything we do will be accurate, and I think that we will never try to scare the American people to death. I think that it is a great mistake to oversensationalize. I think when we oversensationalize, we play right into the hands of our enemies. And I think it is wrong to try to scare the American people, if it is not based on solid facts.

I think our philosophies are exactly alike on that.

VENEREAL DISEASE CONTROL

Mr. MARSHALL. I have been concerned for several years, particularly since serving on this committee, about the increase in the amount of infectious venereal disease. It has been my understanding in sitting on this committee that syphilis is rather easily detected and easily cured. It is not an expensive procedure. And I have been informed by some people that the big problem in the control of it is a bubaboo that people seem to have against this type of a social disease.

It has been a little amazing to me that people in the livestock field were able to control some of their livestock diseases, such as hog cholera, foot and mouth disease, and the people shy away from control features of a program that could so easily be put into effect, affecting the lives, particularly of our younger people.

Secretary RIBICOFF. Well, as you know—

Mr. MARSHALL. Are you doing some additional work this year?

Secretary RIBICOFF. Yes, we are.

Mr. MARSHALL. On that work?

Secretary RIBICOFF. A new report has just been issued, Mr. Marshall, with a series of recommendations. That was just issued this last Sunday past, which indicates that an effective program would cost an additional \$3.5 million. I think we have asked for an additional \$1 million. But when the budget was made up, the report had not been completed. And I am sure that the Budget Bureau would join us in requesting this committee to give us as much of the additional \$2.5 million as we think we need to put this program into effect this year.

But I would hope that this committee would go along with the recommendations of the special report that just came out this week.

Mr. MARSHALL. I have in my mind a report just recently released, "The Eradication of Syphilis." I compliment you for getting out this report. And I would like to say to you, Mr. Secretary, that one of the real places, I think, some money could be saved is the matter of clearing up this disease.

Secretary RIBICOFF. That is right.

Mr. MARSHALL. Because if this disease can be eradicated, it would even save the Federal Government an annual appropriation every year; and it seems to me that, as long as we have not taken the effective steps to control it, that we are continually leaving a source of infection that adds a great deal more expense than it would to clean up a disease of this kind and getting rid of it.

Secretary RIBICOFF. I agree with you.

Mr. MARSHALL. And I am glad that you have made the comment that you have in regard to this program.

I wish to thank you very much.

Secretary RIBICOFF. I thank you, Mr. Marshall.

CUBAN REFUGEE PROGRAM

Mr. DENTON. Let me ask you a couple of questions.

Secretary RIBICOFF. Yes, sir.

Mr. DENTON. I forgot to ask you about the Cuban refugee program. Will you comment on that a little, please?

Secretary RIBICOFF. Yes, I will.

This program, I believe, if my memory is right, we have asked for \$45 million. We have been funding this program out of the President's emergency fund in the AID program. We still have coming into this country between 1,500 and 2,000 refugees every week; that many of them, in fact most of them are centered in the Miami area, which causes a problem. We have now some 45,000 in the Miami area.

I believe that we have been able to bring out of the Miami area—is it about 16,000?

Mr. KELLY. 18,000.

Secretary RIBICOFF. 18,000 people relocated around the country. These, basically, are people of skill and ability, who can make a contribution to our society.

We are carrying those without jobs and those who cannot work and are without funds on basically the same relief standards as we are paying in the Miami area.

Mr. DENTON. About how much is that?

Secretary RIBICOFF. Which is about—it runs about \$60 for a single person a month, and the family does not run over \$100.

Mr. DENTON. Somebody gave me a newspaper article that says they are getting something like \$200 a month.

Mr. KELLY. There is a \$100 maximum per month.

Secretary RIBICOFF. \$100 maximum per family.

So if the article says \$200 a month, I am not aware of it. I do not know how they could get it.

Mr. DENTON. I would like to find the article.

Secretary RIBICOFF. I would, too. Because the maximum is \$100 and we are not going above the standards of need that are being used in the Miami area.

Mr. DENTON. A constituent sent it in to me and it seemed rather high.

I do not know where it is, but if it is——

Secretary RIBICOFF. I am not aware of that at all. Then, of course, we have the problem of taking care of the additional schoolchildren and we are paying half the cost to the Dade County school system of what their average costs are to keep a child in school. It is estimated that the total program next year will cost \$45 million.

EXTENT OF RESERVES IN DEPARTMENT'S BUDGET

Mr. DENTON. Now, just one last thing. The chairman has talked a good many times about these reserves. Do you know how much was put in the reserve in the entire budget?

Secretary RIBICOFF. No, we do not. I think we told you that, to my knowledge, there has never been an overall discussion with all the Departments. We know what we have.

Mr. DENTON. But it was \$101 million in yours?

Secretary RIBICOFF. In ours.

Mr. DENTON. I think it is commendable to try and save money. On the other hand, we want to carry out the vital functions of the Government, and some of the cuts you made were from the exact amounts you indicated to us were necessary. It makes us look very bad for you to make cuts below what we said ought to be spent on these programs. It puts us in a bad position to defend funds for your programs this year. I hope if we have that again, we would at least be advised of it.

Secretary RIBICOFF. I want to be corrected, Jim.

My understanding is that any cut that we put into effect was from an increase over 1961 in every instance.

Mr. KELLY. In every instance, yes.

But Mr. Denton is correct, that some of the increases that we curtailed were increases which we requested.

Secretary RIBICOFF. Oh, yes.

Mr. KELLY. But we did not want to treat the increases we requested differently than the increases you made.

Mr. DENTON. There was an increase over the budget for some items, but I am sure you told us you had to have the amount we appropriated, in some instances, and then put funds in reserve when we gave you what you had requested.

Mr. KELLY. We did.

The alternative, Mr. Denton, if we had to make this larger deduction, was to reduce only the items where Congress made increases over the President's recommendation. And as the Secretary said yesterday, he thought he should not treat those any differently than the ones requested.

MR. DENTON. Of course, the one I hated to see most was the one in the NIH. As you know, we heard from the eminent doctors and specialists on cancer, heart, and mental health, and not only that, but both in the committee and in conference, we went into that very, very carefully. We thought the public wanted all the money that could be spent to good purpose to be used for research in those areas.

Of course, that was a very big cut there.

Secretary RIBICOFF. Well, as I have said, when we had it first presented to us, it was a much larger cut, and I think we were able to bring it down considerably.

MR. DENTON. Of course, I think it is commendable to save money. I am not criticizing you for that.

Secretary RIBICOFF. I know you are not.

MR. DENTON. The only thing I wish is that you had told us ahead of the action instead of after.

It happened almost at the same time we were working on the bill. You were a little bit behind, about a month or so.

Secretary RIBICOFF. I think the chairman has asked for a chronology, and I have told Jim to give it to you so you can use your own judgment.

MR. DENTON. We will adjourn until tomorrow morning.

Secretary RIBICOFF. Is it all right for me to assume that I will be back here at 10 o'clock?

MR. DENTON. Yes.

THURSDAY, FEBRUARY 1, 1962.

DESIGNATION OF PERSON RESPONSIBLE FOR WATER PROGRAMS

MR. FOGARTY. Mr. Secretary, last evening I visited with a group of conservationists. The question they asked me was whether or not you had appointed Mr. Quigley as your Assistant Secretary in charge of the water pollution program.

Secretary RIBICOFF. Mr. Chairman, we have placed Mr. Quigley in charge of the water pollution program. He is directly responsible to me. He has the complete supervision of the basic policy decisions that are made in water pollution.

If I may have your permission, I would like to supply you with the documents that have placed this into effect at this point in the record.

MR. FOGARTY. Fine.

(The matter referred to follows:)

ORGANIZATION—PART 1, GENERAL

Chapter 1-925

DEPARTMENT RESPONSIBILITIES RELATED TO THE FEDERAL WATER SUPPLY AND WATER POLLUTION CONTROL PROGRAM

1-925-00 PURPOSE

This chapter states the responsibilities within the Department of Health, Education, and Welfare for the Federal Government's water supply and water pollution control activities.

1-925-10 POLICY

A. The Department recognizes that an effective program of water supply and water pollution control is basic to promoting and strengthening national efforts to preserve and improve water resources.

B. The Department recognizes the need for vigorous policy and program leadership by the Office of the Secretary, especially as it relates to final decisions on enforcement actions and to maintaining a continuous review of water supply and pollution control program needs and accomplishments.

1-925-20 RESPONSIBILITIES

A. Office of the Secretary

The Assistant Secretary is the designated immediate representative of the Secretary, in the administration of water supply and pollution control activities as follows:

1. Serves as Chairman of the Water Pollution Control Advisory Board.
2. Recommends to the Secretary decisions for or against enforcement actions in all cases of pollution within Federal jurisdiction.
3. Represents the Department in water supply and pollution control matters, including relations with other agencies.
4. Reviews existing program activities and makes recommendations designed to produce vigorous and effective departmental action in water pollution control.
5. Assures balanced interest in water quality for all legitimate purposes.
6. Prepares and keeps current a policy statement to guide all officials of the Department concerned with water supply and pollution control activities.
7. Guides departmental policy in pertinent program planning, budgetary, organizational, and other administrative procedures.
8. Maintains continuing liaison in respect to water pollution control matters with other officials in the Department who have related responsibilities.

B. Public Health Service

Subject to the general policy guidance of the Office of the Secretary, the Public Health Service is assigned responsibility for water supply and pollution control program operating responsibilities as follows:

1. Develops essential data for and promotes a vigorous and effective enforcement program.
2. Mounts an intensified research program to develop better methods for identifying, evaluating, and controlling water pollutants, including setting of quality standards for all legitimate water uses.
3. Stimulates and supports appropriate training activities to assure a more adequate supply of professional and technical personnel for water pollution control programs.
4. Stimulates State and local efforts to control pollution through—
 - a. Grants to State and interstate agencies for operation of their water pollution control programs;
 - b. Grants to municipalities for waste treatment plant construction; and
 - c. Technical consultation on pollution abatement.
5. Provides professional and technical assistance to other Federal agencies with respect to water quality control in the planning and construction of reservoirs.

6. Collects, analyzes, and interprets essential water quality data for use in development of comprehensive plans for river basins.

7. Maintains professional and technical liaison with other Federal agencies, State water pollution control authorities, and other public and private groups concerned with pollution control.

8. Assures organizational and budgetary identification of the water supply and pollution control program and high-level responsibility for its operation.

LIBRARY SERVICES ACT

Mr. FOGARTY. On libraries, Mr. Secretary, the Library Services Act has turned out to be one of the most popular programs in Government. I have taken time out to ride in some of the bookmobiles in my area. I was amazed to find people walking a mile or a mile and a half to meet a bookmobile at a crossroads out in a country town. I think they are doing a real good job. I have seen a book published on the program which calls it "an example of the perfect administration of public funds."

This program has been limited to rural areas. Since so many of our educational problems, including adequate libraries, are now in areas other than rural, isn't this a program that might well be extended to urban areas? We have been talking about amending the present legislation to apply to urban areas of 50,000 instead of 10,000.

Secretary RIBICOFF. I would be enthusiastic for that, Mr. Chairman. Like you say, I remember as a child walking a couple of miles to a library to get books. I think it is a tragedy that reading isn't as extensive as it used to be. I think we should do everything we can to encourage our youngsters in good reading habits, instead of spending all their time with television.

I would certainly be enthusiastic for that extension.

Mr. FOGARTY. I think we are in agreement that libraries of all types are essential to an extensive education program and also to research programs in this country.

Secretary RIBICOFF. I agree with you, Mr. Chairman.

Mr. FOGARTY. We seem to have difficulty in getting the Bureau of the Budget to go along with some more personnel in the Library Services Branch in the Office of Education. Do you know what is in the budget this year?

Mr. KELLY. I don't recall the figure at this point.

Mr. FOGARTY. I think we added six positions last year, and the conference committee cut it back to three. This year I understand there are no new positions requested. Maybe I should ask Dr. McMurrin about that when he appears before us.

LIBRARY IMPROVEMENT PROVIDED FOR IN EDUCATIONAL QUALITY BILL

Mr. COHEN. I might say, Mr. Chairman, that in our new bill on educational quality improvement, we have put in a specific provision for project grants to strengthen teacher preparation programs in elementary and secondary schools, including the purchase of books and related library materials in connection with such programs on the very basis you have indicated. It is a very important aspect.

Mr. FOGARTY. I was amazed to find that in some of the larger schools—you mentioned a while ago Yale and Harvard—that it cost

them in the millions to keep their libraries up to date every year. It is a very expensive proposition just to buy books today.

Secretary RIBICOFF. That's right. Libraries are expensive, and the trouble is that many school systems with budgetary problems unfortunately often go in for things which show on the outside, and sort of starve and neglect their libraries.

You will find many institutions without adequate library facilities. I always rated the teacher first and the book second. Without good teachers and without books, I don't know how you can really do an educational job and do it right, Mr. Chairman. I am strong on library support.

TRAINING LIBRARIANS

Mr. FOGARTY. Of course we have a great shortage of trained personnel in the library field. Many of these smaller libraries in rural communities are only open 2 or 3 hours a week, or a couple of afternoons a week, and most of their librarians are not paid. I have always believed that they ought to be paid and not serve as volunteers.

We ought to have some sort of a program at the Federal level to train librarians. Have you given any consideration to that?

Mr. COHEN. Some proposals were made in connection with the amendments to the National Defense Education Act on this last year, which are pending in the House and Senate. In several areas they strengthened very substantially the library field.

Mr. FOGARTY. I made the suggestion to the American Library Association that they might think about taking these parts out of the Defense Education Act and submitting separate bills to Congress on these phases which they think should be strengthened.

Do you agree with me on that?

Mr. COHEN. I have met personally with the library people on a number of occasions, because of the Secretary's strong support for this. It might be best eventually to amend the Library Services Act as a separate device rather than the National Defense Education Act.

Of course we thought last year the NDEA amendments would go through; but now they will go over to next year probably, and we will have to wait and see what happens next year.

Secretary RIBICOFF. I think it would be easier to amend this to include communities up to 50,000, if that is what you had in mind, Mr. Chairman.

Mr. FOGARTY. I don't know what the right figure is. I don't know whether it should be 50,000, 60,000, or 100,000.

Secretary RIBICOFF. Suppose we do this. Suppose we convey this question, Mr. Chairman, to the Office of Education and have them prepared when they come over here to make a recommendation to you. By the time they get here, they will have a chance to study the situation.

Mr. FOGARTY. I assume your Department last year supported title X strengthening the school library resources, which is in the Defense Education Act?

Mr. COHEN. Yes, we did, Mr. Chairman.

LACK OF LIBRARY FACILITIES

Mr. FOGARTY. Those hearings brought out some shocking facts about the lack of library facilities in the lower grades, and even in the schools of higher learning.

Mr. COHEN. The most shocking ones, I thought, were those stories of elementary and secondary schools which have no library facilities whatsoever. I think that is most shocking.

Mr. FOGARTY. Ten million children are going to school today without any library service at all.

Secretary RIBICOFF. In some schools, Mr. Chairman, they don't have enough books to go around the classrooms.

Mr. FOGARTY. Beyond the school problems, libraries could be a tremendous help to the aging population and to adult education. I have also thought all along that it might help solve some of the problems of juvenile delinquency if we had more library services and more trained librarians for these kids.

Do you agree with me?

Secretary RIBICOFF. I go along on all fours with all your suggestions on the question of expanded library services. I am a strong supporter of that.

JUVENILE DELINQUENCY

Mr. FOGARTY. How are we making out in the program on juvenile delinquency? First, we have the President's Committee on Juvenile Delinquency?

Secretary RIBICOFF. That's right—the Attorney General, the Secretary of Labor, and myself.

Mr. FOGARTY. The three?

Secretary RIBICOFF. The three. Most of the activities are basically in my Department.

Mr. FOGARTY. This is the first year of this program and it is new legislation.

Secretary RIBICOFF. That's right.

Mr. FOGARTY. What progress are you making?

Secretary RIBICOFF. We have set up advisory committees in both the project grant field and the training field. They come to Washington. I have met with them and the staffs to go over the program.

They are getting together their applications and forms. We also have technical advisory groups which have visited various communities at their request to help them in getting on with their applications. I am under the impression that some of them have visited you.

Mr. FOGARTY. They have, and we have had action.

Secretary RIBICOFF. They are helping these communities. Now the application forms are out to various communities for project grants, and also to get their forms ready for training grants.

My impression is that they expect in March to be able to take these applications and make project grants to start on different phases of juvenile delinquency.

I think when you consider how late the bill was passed and the money made available and all the work that was done, good progress has been made. There has been interest among the communities who have already been contacted or have contacted us to discuss the pos-

sibilities of various project grants in New York, Los Angeles, Chicago—

Mr. FOGARTY. You can put that in the record.

Secretary RIBICOFF. Yes, I will put this in the record. Providence is in here, I notice.

Mr. FOGARTY. I know Providence has been visited, and we are very pleased with the progress that is being made.

Secretary RIBICOFF. As soon as we get a request from a community, we don't hesitate to visit with them and to find out what their problems are and what their interests are and what their potentials are. We are very anxious to move ahead in this field, Mr. Chairman.

(The complete list referred to above follows:)

Communities which have already been contacted or who have contacted us to discuss planning grants under the juvenile delinquency and youth offenses program are as follows:

Atlanta	Miami	Providence
Boston	Minneapolis	St. Louis
Buffalo	Nashville	San Francisco
Chicago	New Haven	Syracuse
Cleveland	New York	Toledo
Detroit	Oakland	Washington, D.C.
Houston	Philadelphia	
Los Angeles	Pittsburgh	

JOBS AND RECREATION FOR POTENTIAL JUVENILE DELINQUENTS

Mr. FOGARTY. In the Providence area we have, I think, one of the finest men in charge of our recreation program. His name is Mr. John B. Cronin. He coached me in football several years ago in high school. He still coaches football.

But he has an interest in the juvenile delinquency program, and also in the aging. He runs a camp for these kids in the summer. He thinks that, through his experience in the last 10 years, he has a little different approach in solving some of these problems through recreation.

He has done a tremendous job in the city of Providence in building swimming pools and other recreation facilities and getting the kids off the streets into these areas.

One of the big problems that is facing a city like Providence is that we have people moving into the city, into the poor areas of the city, and the boys are not able to find work. As a result, they hang around on street corners.

He tells me that these kids want to work and are willing to work if they could find a job, but we have to face realities. Sometimes they have a very difficult time getting a job.

He believes if we could reactivate a couple of CCC camps that we still have, these young fellows would be willing to go there and do some real good work.

This is just his thinking, but he would like to explore more fully this approach to preventing juvenile delinquency through recreation. As I understand it, the old program was to let the teenager come to us; but they no longer do that. They go out and get that fellow and try to get him into a recreational program.

It seems sensible to me.

Secretary RIBICOFF. It makes a lot of commonsense, Mr. Chairman. I don't think this is just a job for a social worker. Personally I have felt—and I have said this publicly and I say it for the record—that I can see much that can be done not only in the social welfare field for juvenile delinquency, but through the present existing resources of the Boy Scouts, Catholic youth organizations, YMCA, YWCA, Big Brother movement, the boys' club—these organizations which have a good commonsense practical approach.

It is my hope that in the training program part of this bill we won't just train social workers, but that we train people like Cronin who can carry on organized recreational activities—part of a school system, part of a park system, and that kind of thing. There is a fantastic shortage in it.

I have talked to many leaders of boys' clubs, the Boy Scout movement and the YMCA movement, and they say one of their problems is the lack of trained personnel; that they believe they can handle their own financial resources and they are not asking for any grants from the Government.

But they would hope that these programs would expand to have trained people in the entire recreational field to man these various summer camps for some of these kids out of big cities, or the playgrounds and the recreational areas in our cities during the summer and after hours.

I personally am strong for this, and it would be my hope that the training grants would go to train these kinds of people as well as social workers, which goes right in line with what Cronin is talking about. That makes a lot of commonsense, Mr. Chairman.

Mr. FOGARTY. I think it does, too.

SCHOOL DROPOUT PROBLEM

A lot of this is tied in to the school dropout problem.

Secretary RIBICOFF. I think you are right, Mr. Chairman. I think one of the great problems we have is the dropout problem, the lack of job opportunities for our young people.

You take today in the United States, enrolled in our high schools between the 9th and 12th grades, 10,800,000 youngsters. Two and a half million of those, Mr. Chairman, will drop out and never graduate.

With the type of industrial society we have, with automation, electronics, there isn't a chance for one of these youngsters to be employed unless he has a skill. I think that we have got a great obligation as a people to provide vocational education, job opportunities, so that these youngsters can find themselves in a self-respecting job, earning their own keep, instead of getting into trouble and finding themselves in reform schools or juvenile delinquency centers or State penitentiaries.

Those of us who have had experience in these fields realize that society pays a very heavy price not only in the breakdown of morale, not only in lawlessness, but in large cost to the taxpayers to support needed police departments, reform schools, and State penitentiaries.

I think the United States could make a much better investment of its tax resources in training programs, in job opportunities for these youngsters, than to pay the heavy cost of keeping them in reform schools and jails.

PROBLEMS OF MIGRANT WORKERS

Mr. FOGARTY. Mr. Secretary, we have been talking on this committee about the problems and the plight of the migrant workers for 8 or 10 years. I said to someone in the Department of Labor the other day that we have been doing a lot of talking but we are not getting much action.

Do you have any plans or do you want to make a statement on this problem?

Secretary RIBICOFF. We have developed an extensive program, and there is coordination here among Labor, HEW, Agriculture, Interior, working together on the entire program.

Mr. FOGARTY. In the first place, they don't have any voluntary organized groups that speak up for them. As a result, unless the Federal Government does step in and do something for them—

Secretary RIBICOFF. Many of the church groups are interested.

Mr. FOGARTY. They are interested, but most of them do not do much.

Secretary RIBICOFF. They have been talking about that. We have a number of bills to cover this. Basically they are either hung up between one House or the other. Some of the bills we have are: Education for migratory workers and their children, S. 1124 and S. 1125. These bills would make available grants to the States for special education programs carried on by local school districts, adult education courses for migrant workers, and supplementary classes for children of migratory workers.

This was passed by the Senate on August 25, 1961, and referred to the House Committee on Education and Labor. It is pending there, and we are very anxious for these to pass.

Now we have another bill, health services for migratory workers, S. 1150, an amendment to title III of the Public Health Service Act to provide grants to State health departments for special medical and health services to migrant workers.

This was also passed in the Senate without amendment on August 25, 1961, and referred to the House Interstate and Foreign Commerce Committee.

We will continue to press for this bill. So you see, we got Senate action and we hope—

Mr. FOGARTY. What committee is that bill before?

Secretary RIBICOFF. That bill is before the Interstate and Foreign Commerce Committee. We have talked to Oren Harris and told him we are interested in this bill, too. We are interested in these measures, which we think are good.

I think they passed without opposition in the Senate. They had enthusiastic support in the Senate. We have every reason to believe that, once they get out of committee and by Rules, they would have the same support in the House.

Mr. FOGARTY. I think that is a good start.

Secretary RIBICOFF. I think Mr. Harris has been very active in this field. The last time at the hearings is the first time we have had strong administration support for these bills.

Mr. COHEN. I would say, Mr. Secretary, that our illiteracy bill would also bear on this, too, because many of these migrants move

around and have never gotten an education. If we set up some classes in that field, that would help them.

MENTAL RETARDATION

Mr. FOGARTY. It is not an easy problem to solve.

One area which I have been interested in, and I know you have been for a long time; at least since you were Governor, is the field of mental retardation. Are we doing anything new in this area?

Secretary RIBICOFF. Yes. As you know, the President this year appointed a very high-level Commission on Mental Retardation. In addition, we have an interdepartmental committee working on mental retardation with plans and programs.

I would like to read this into the record, Mr. Chairman:

Federal support of programs concerned with mentally retarded individuals has grown substantially in recent years. The 1963 budget for the Department of HEW activity proposes a level of support for mental retardation programs which is more than 125 percent higher than that actually used in fiscal year 1959.

In fiscal year 1959 the sum was \$12,430,967. The budget provides this year for \$28,274,250. In addition, payments from the OASDI trust funds to individuals disabled by mental retardation have more than tripled during the same period, from \$19,300,000 in 1959 to the provision in the 1963 budget of \$61,300,000, up from the 1962 estimate of \$49,700,000.

The increases in the regular funds have been due in part to enactment of new programs such as authorizations for fellowships and grants to higher education institutions and State educational agencies for leaders in the education of the mentally retarded.

For the most part, however, this growth in activity has been taking place under programs whose authorization has remained basically the same throughout the period. This increased Federal support has resulted in improved and strengthened services and assistance to mentally retarded individuals and their families. Examples of these results follow.

In the field of education we are supporting a program to improve the professional preparation of educators in the field of mental retardation. This program has been supported at the maximum authorized level of \$1 million since 1960. Cooperative research funds have been available since 1957, and new educational media research funds have stimulated interest and research activity in this field.

In the field of health, the States have been using maternal and child health funds in addition to the \$1 million specifically earmarked since 1957 for services to mentally retarded children. For example, by 1961 46 States and territories have provided special clinical services to mentally retarded children utilizing Federal maternal and child health funds, compared with 4 States providing such services in 1955.

Additional funds will be devoted to this program in 1963.

Public Health Service programs for the mentally retarded are operated primarily through the National Institute of Mental Health and the National Institute of Neurology and Blindness.

Mr. FOGARTY. If there are more examples, you can put those in the record.

(There follows a summary of mental retardation activities in the Department of Health, Education, and Welfare. A more detailed statement appears on p. 222.)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SUMMARY OF MENTAL RETARDATION ACTIVITIES

Federal support of programs concerned with mentally retarded individuals has grown substantially in recent years. The 1963 budget for the Department of Health, Education, and Welfare activities proposes a level of support for mental retardation programs which is more than 125 percent higher than that

actually used in fiscal year 1959. In addition, payments from the OASDI trust funds to individuals disabled by mental retardation have more than tripled during the same period. The increases in the regular funds have been due in part to enactment of new programs, such as authorization for fellowships and grants to higher educational institutions and State educational agencies for leaders in the education of the mentally retarded. For the most part, however, this growth in activity has taken place under programs whose authorization has remained basically the same throughout this period.

This increased Federal support has resulted in improved and strengthened services and assistance to mentally retarded individuals and their families. Examples of these results follow:

Education

In the field of education, we are supporting a program to improve the professional preparation of educators in the field of mental retardation. This program has been supported at the maximum authorized level of \$1 million since 1960. Cooperative research funds which have been available since 1957 and new educational media research funds have stimulated interest and research activity in this field. Some interesting results have already been received and more significant results can be expected from the long-range projects now being supported.

Health

States have been using maternal and child health funds, in addition to the \$1 million specifically earmarked since 1957, for services to mentally retarded children. For example, by 1961, 46 States and territories were providing special clinical services to mentally retarded children, utilizing Federal maternal and child health funds compared with 4 States providing such services with the assistance of these funds in 1955. Additional funds will be devoted to this program in 1963.

Public Health Service programs for the mentally retarded are operated primarily through the National Institute of Mental Health and the National Institute of Neurology and Blindness. These programs of research and training are supporting, at continually higher levels of funds, research and training programs directed at the incidence, causes, and treatment of mentally retarded individuals. Among the projects being supported are a long-term project to identify the biological and medical factors present between conception and birth that are associated with mental retardation and other disabling conditions. Effects of residence in an institution on mentally retarded children and their families is also being studied. Professional mental health training related to mental retardation is being expanded. The 1963 budget proposes additional funds for programs of this type in 1963.

Welfare

In addition to the increase in benefit payments paid to mentally retarded individuals from the OASDI trust funds, progress is being made in the welfare field in the vocational rehabilitation of mentally retarded persons. In 1963 about 5,400 such individuals would be rehabilitated under the budget estimate compared with about 2,900 in 1959. In addition, a number of extension and improvement projects in rehabilitation are demonstrating new approaches and techniques so that States can increase the number of rehabilitations of mentally retarded persons being rehabilitated. Research and demonstrations in rehabilitation of the mentally retarded have been supported at a level of about \$1 million for the last 3 years, and the 1963 estimate proposes establishment of a comprehensive community demonstration project to bring together some of the more significant findings whose effectiveness has been revealed by individual projects supported in the past.

The Bureau of Family Services and the Children's Bureau will continue in 1963 the level of studies and staff services currently being devoted to the mentally retarded through welfare programs authorized by Social Security Act.

President's Panel on Mental Retardation

The President has appointed a panel, which is being supported by \$150,000 of funds from the two National Institutes of Health most directly concerned with mental retardation problems, to recommend a comprehensive and coordinated program of action on the part of the Federal Government, the States, communities and private organizations aimed at preventing or curing mental retardation. This panel, headed by Mr. Leonard Mayo, has already begun its work and hopes to report to the President by December 31, if not before.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Obligations for programs on mental retardation, fiscal years 1959-63

Agency and appropriation	Fiscal year				
	1959	1960	1961	1962 estimate	1963 President's budget
Office of Education:					
Defense educational activities (new educational media research).....	\$9,000	\$48,224	\$62,875	\$80,924	\$50,000
Expansion of teaching in education of the mentally retarded.....		985,221	993,433	1,000,000	1,000,000
Cooperative research.....	971,722	651,600	346,121	300,000	1,560,000
Salaries and expenses (administration of grant program, expansion of teaching, etc.).....		43,000	50,000	49,500	61,250
Subtotal, Office of Education.....	980,722	1,728,045	1,452,429	1,430,424	1,671,250
Office of Vocational Rehabilitation:					
Grants to States:					
Basic support program.....	1,000,000	1,633,000	2,055,000	2,771,000	3,486,000
Extension and improvement.....	225,000	165,108	211,287	200,000	200,000
Research and training:					
Research and demonstration projects.....	530,245	911,800	993,290	1,012,000	1,200,000
Training and traineeships.....	14,600	32,456	77,886	90,000	135,000
Subtotal, Office of Vocational Rehabilitation.....	1,769,845	2,742,364	3,337,463	4,073,000	5,021,000
Public Health Service:					
Mental health activities.....	2,356,000	2,676,000	3,644,090	5,290,000	6,490,000
Neurology and blindness activities.....	5,938,000	8,231,089	10,873,850	11,560,000	13,347,000
Subtotal, Public Health Service.....	8,294,000	10,907,089	14,517,850	16,850,000	19,837,000
Social Security Administration: ²					
Bureau of Old-Age and Survivors Insurance:					
Estimated benefit payments from trust funds.....	(19,300,000)	(29,300,000)	(39,300,000)	(49,700,000)	(61,300,000)
Trust fund obligations incurred to adjudicate claims of beneficiaries.....	(1,600,000)	(1,900,000)	(1,400,000)	(1,800,000)	(1,800,000)
Salaries and expenses, Bureau of Family Services.....	9,500	10,000	15,000	20,000	20,000
Children's Bureau:					
Grants to States for maternal and child welfare.....	1,300,000	1,300,000	1,434,300	1,573,700	1,625,000
Salaries and expenses, Children's Bureau.....	76,900	97,800	92,000	96,300	100,000
Subtotal, Social Security Administration.....	1,386,400	1,407,800	1,541,300	1,690,000	1,745,000
President's Panel on Mental Retardation.....				³ (150,000)	³ (150,000)
Grand total (general funds).....	12,430,967	16,785,298	20,849,042	24,043,424	28,274,250
Grand total (trust funds).....	(20,900,000)	(31,200,000)	(40,700,000)	(51,500,000)	(63,100,000)

¹ Includes funds for "full funding," i.e., subsequent year costs of new projects.² Information is not available on the costs due to mentally retarded people who are receiving public assistance, because data secured does not single out this one cause as a factor of disability or dependency. However, it is known that mental retardation is a major cause of disability for those receiving aid to the permanently and totally disabled under the Federal-State public assistance program.³ These amounts are shown as nonadd items since they are to be derived by transfer from funds available to the National Institutes of Health for mental retardation activities.

THE PRESIDENT'S PANEL ON MENTAL RETARDATION

Secretary RIBICOFF. The President has appointed a panel on mental retardation which is being supported by \$150,000 of funds from the two National Health Institutes. We are coordinating the programs of the States, the Federal Government, communities, and private organizations.

The panel is headed by Dr. Leonard Mayo, and it hopes to report to the President by December 31 of this year, if not before.

In addition there used to be an interdepartmental committee on mental retardation which had been allowed to lapse, which I have reactivated, Mr. Chairman. The Committee will consist of representatives of the operating agencies of the Department, the President's Panel on Mental Retardation, the Office of the Secretary. I have appointed Mr. Luther Stringham to serve as the Chairman of the Committee.

The purpose of this interdepartmental committee is to assist in securing the coordination of department activities and objectives in the field of mental retardation, No. 1. No. 2, to serve as a point of contact between the President's Panel on Mental Retardation and the programs and activities in HEW in this field. Three, to provide a channel for obtaining staff support for the Panel from the operating agencies and staff offices of the Department. Four, to discuss the recommendations being formulated by the President's Panel on Mental Retardation.

In other words, there is no question that this is an important field. I think there is more activity in the works now than there has been in a long time in this field.

Mr. FOGARTY. I agree. I think it is well worth all the money we are spending in this area, and the effort we are putting into it. I know when you were Governor you started programs in this field, too.

Last year we recommended in our report that the Office of Education give more recognition in their organizational structure to special education of all kinds, including mental retardation. I understand that they are working on it to raise that position in the Office. This suggestion was made by the National Association for Mentally Retarded Children when they testified before the committee. I understand they are trying to upgrade that position.

Mr. KELLY. As a part of the reorganization plan that the Secretary said the Commissioner was going to present to him as soon as he returned, they are endeavoring to establish an organization that takes care of the whole field of exceptionality at a higher level within the organization.

Mr. FOGARTY. I think when they appear before the committee this year—I am talking about the voluntary organizations—they had hoped that this position would be an Assistant Commissioner. I think that is what they will be testifying to when they come here. But progress is being made on that suggestion?

Secretary RIBICOFF. Yes, sir.

NURSING HOMES

Mr. FOGARTY. The Washington Star of May 3 quoted you as saying—and I agree with you—that the quality and scope of services offered by a number of nursing homes today is a national disgrace.

Some of the nursing homes I have seen and visited are a national disgrace. What are we doing about it? There was a meeting held in Washington at the direction of Dr. Burney 3 or 4 years ago on this problem.

Mr. KELLY. Yes, sir.

Mr. FOGARTY. What has happened in this area? What are we doing about it? I think some standards were developed.

Mr. KELLY. As I recall it, Mr. Chairman, they came out with some suggested standards, but they came to this conclusion—that it would probably be an unwise policy to establish or endeavor to establish a national or uniform set of standards that would go into effect on a given date; that our emphasis had to be on (1) constructing new nursing homes; and (2) on upgrading existing ones.

There is such an acute shortage of nursing homes throughout the United States that if standards were to be put into effect and enforced immediately, it would have the effect of closing homes which would take away beds that you have now, even though these beds may be inadequate.

So the problem is not to put precipitately into effect too high a standard, but to gradually move until you have reached the standards you want and do it in such a way that you do not curtail services until you can provide substitute services.

Mr. FOGARTY. What about those that are firetraps? Every once in a while one of these homes burns and it is a real tragedy.

Secretary RIBICOFF. It is a State problem, Mr. Chairman. I think a great public service can be done by you and also by us by keeping at the States to have standards. This was what our department of health, our commissioner of health, did in our own State. I think nationally we have the highest standards of nursing homes.

We are very tough and very strict in the State of Connecticut to make sure we just won't license the firetraps. We have our fire marshals on the State and local levels just being ruthless.

In the State of Connecticut they just won't license them if they don't have the proper fire protection. I remember time and time again, when we had this up, I made sure that they were properly staffed and properly supervised.

Basically many welfare patients go into these places; and our welfare department, if they were improper, just wouldn't OK these homes to receive the aging or the welfare patients.

I think this is a great problem for the States. I think that the Governors of our States and our State health authorities have an obligation to protect the people right at the local levels. It is pretty hard, as I see it, to try to protect it from Washington.

Mr. FOGARTY. Some of the suggestions that came out of this meeting could be a guide for the Governors and State legislatures to follow. They could be used as guidelines, couldn't they?

Mr. KELLY. That was the purpose; yes, sir.

Mr. FOGARTY. Is there anything else we can do as a Federal Government to help the States?

Secretary RIBICOFF. The Health Services and Facilities Act of 1961, you may recall, also provided aid to the States for improving the quality of the health services in nursing homes and for establishing and expanding visiting nursing programs.

In the community health activities, in 1963, there is a provision in the budget of \$86,885,000—up from what you gave last year of \$70,718,000.

I will supply figures for the record on this. But there is an opportunity for the Federal Government in working with the States in project grants.

Mr. FOGARTY. Who in your Department will be testifying on that?

Mr. KELLY. The Bureau of State Services; Dr. Ted Bauer.

(The additional information referred to follows:)

In 1962, an amount of \$6 million is available for grants to States, and \$2,319,000 for project grants, in the appropriation for "Chronic diseases and health of the aged," to carry out the provisions of the Community Health Services and Facilities Act of 1961. The 1963 budget estimate provides \$13 million for grants to States and \$6 million for project grants. Both grant programs are designed to assist communities to develop health services outside the hospital for the chronically ill and aging. One facet of these programs is the improvement of nursing home care.

In addition to the assistance to States and local communities through formula and project grants, the Public Health Service has programed approximately \$340,000 of operating funds in 1962 and 1963 for cooperative demonstrations and studies relating to the improvement of standards of nursing homes.

DRIVE AGAINST DECEITFUL MEDICAL PRACTICES

Mr. FOGARTY. I think I asked you at the beginning of this hearing about the problem of medical quackery. This is a two-pronged drive, from what I read in the paper. You and the AMA are putting on this drive in the field of medical quackery.

Secretary RIBICOFF. Right.

Mr. FOGARTY. Are you getting along with the AMA all right?

Secretary RIBICOFF. Yes. This is one thing that the AMA and ourselves are singing pretty close harmony on—one of the few. As you know, there was a conference held in Washington—I believe you spoke at it, Mr. Chairman—between the AMA and ourselves, Food and Drug Administration and the Surgeon General and the Public Health Service.

We are doing everything that we can to hit at quackery wherever we can find it.

Mr. FOGARTY. It is costing the people of this country millions of dollars, isn't it?

Secretary RIBICOFF. The estimate was a billion dollars.

Mr. FOGARTY. That has been brought to my attention—a billion dollars a year.

Secretary RIBICOFF. That is right, a billion dollars a year—just tragic; and it usually hits the people who least can afford it, Mr. Chairman.

Mr. FOGARTY. We have been told in the past that we would be surprised to know some of the people who went in for some of these quack ideas. Outstanding men in Government and some of the leading families of the country have gone to these quack doctors.

Secretary RIBICOFF. That is the great tragedy.

MEDICAL CARE FOR THE AGED

Mr. FOGARTY. I read in the paper yesterday that you are offering to make a deal with the AMA.

Secretary RIBICOFF. That is again a newspaper headline.

Mr. FOGARTY. It is a headline, but I read the story and I thought it sounded like a deal. Are you serious?

Secretary RIBICOFF. I would say this: While it was made facetiously, I am serious about that in this respect, Mr. Chairman. The problem of medical care for the aging has two basic phases—the hospital and nursing costs, which I think you could safely say represents about 65 percent of the basic cost of taking care of our elderly people who are ill.

I have always contended that we are not interested, and I am not interested, in our medical care for the aging program including private physicians. I have always contended that the private physician is specifically excluded, that everybody has a right to take his own doctor. But it is my feeling the only way you will solve the basic costs of hospital care is through the social security mechanism and the social security approach.

It has also been my contention that once you took care through social security of the basic hospital and nursing costs, the average person would have enough money to take care of the doctor's bills. This, to me, is the solution to the whole problem.

I would go along with the Blue Shield-AMA approach of having insurance to take care of the doctor's bills. This would assure the doctors that there is no intention on our part to come in and take over the doctors, because this is not my intention and has never been my intention. I have said this time and time again.

But the doctor should be realistic and realize that the basic cost of medical care for the aging is in the hospitals, and they have no provision to take care of these people. I have said publicly there, and I say it for the record here, that I would enthusiastically support the AMA-Blue Shield proposal to take care of the doctor bills through private insurance methods, and I think they should recognize their obligation to the elderly to take care of the large hospital costs through the social security approach.

Yes, and I would go on the record again before this committee of approving this particular type of approach. I think it is two-pronged, and I think it eliminates much of the argument the doctors have advanced.

Mr. FOGARTY. In other words, this is a serious approach?

Secretary RIBICOFF. Yes, it is. Basically, I threw it out; but I would go by it and I would stand by it, Mr. Chairman.

NEED FOR SHIFTS IN WELFARE EMPHASIS

Mr. FOGARTY. I have another clipping here from yesterday's Washington Post. The headline is "Lack of Money Seen Delaying Welfare Shifts," by Eve Edstrom, staff reporter.

If there is one note of accord among the Nation's welfare directors' meeting here this week it is that the administration's welfare proposals cannot be put into effect overnight. Each State and the District has its own obstacles, chiefly lack of money and manpower. This is illustrated by the reactions to any single

reform measure outlined by the Health, Education, and Welfare Secretary, Abraham Ribicoff.

For example, District Welfare Director Gerard Shea is fully in accord with Ribicoff's proposal to allow mothers on relief to keep part of their earnings for the education of children—

and it goes on in more detail.

Is there anything you want to say about this? I know you have been spending a great deal of time in this area. I agree with you that we ought to review these programs, and if there is any area where we can save without hurting the person, I want to do it, too.

Most of the details were put in the record yesterday while I was out, but is there anything else you would like to say about this?

Secretary RIBICOFF. I would say this to you, Mr. Chairman, very, very seriously. There is no question in my mind that, through the leadership of this committee under your chairmanship, there have been great advances made in all the health fields and all the education fields.

Again may I seriously propose for this committee's deep consideration leadership of the same quality and stature in the field of welfare.

The President at noon today will send up his message, and Chairman Wilbur Mills of the Ways and Means Committee will introduce the President's proposals covering this bill. Provision is made in this budget for \$93 million more to carry out the Federal share of this welfare program.

What we are actually trying to do is reorient and to have a complete about-face in the philosophy of welfare as it has pertained in this country for the last 25 years. We are trying to get away from the mere conduit from the Federal, State, and local treasuries into the hands of the recipients where they continue on relief with nothing constructive being done.

We believe the time has come in America to realize that the problems economically and socially in our country in 1962 are not the problems of 1935. We are a different Nation now. We have an obligation to try to eliminate as many people from relief as possible.

I am deeply concerned personally, and I think this country is too, with the prospect that we might be developing a permanent class that is on dole or relief. I want to break that as much as we possibly can—the continuation from one generation to another generation on relief.

SHORTAGE OF PERSONNEL

There are many factors involved. There is a shortage of personnel. That is why we have asked for this \$3.5 million to start training more social welfare workers. That is why we recognize that it will be necessary to give some inducement to the States to go into the service of rehabilitation and training.

We are advocating that the Federal Government—in that part of the program that has to do with service and training as against the ordinary administrative costs—contribution 75 percent instead of 50 percent, as now.

We feel that this will encourage the States to go into the program of rehabilitation and training that we must do with these people on

relief. We are trying to do everything that we possibly can to make sure that our caseloads go down.

State after State, city after city, with the field of illegitimacy and hazardous homes—a year or two may go by without a family ever being visited by a social service worker. In some of our administrative regulations we are requiring that those families be visited at least every 3 months to see what is going on, to know what is going on.

We are very anxious to work more closely with voluntary agencies, to make sure that our churches, our Boy Scouts, our YMCA's, working in harmony with these children and families bring all the resources of a community together to attack this problem.

There is a shortage of personnel. Just as through various training grants, through your leadership, Mr. Chairman, you have made great strides to attack and defeat many of our shortages in health. I think if this committee would take the same type of an interest in this new program, we can move fantastically forward in this field.

At the beginning I wouldn't ever want it to be said or believed that I am offering a panacea. I wouldn't want to say that if you spend this \$93 million this year, next year your relief costs will go down \$93 million. It will not, Mr. Chairman, because, as you know, it takes time to train, it takes time to rehabilitate.

PRESIDENT'S PROPOSED WELFARE PROGRAM

In the beginning you are going to have extra costs. But what we are seeking to do is to salvage human beings, to make them useful members of society. For the first time, the President's program will provide authorization for the Federal Government to make contributions toward work relief programs.

At the present time all our programs are based upon cash assistance. I for one have never been able to go along with the philosophy that the Federal Government give a State \$50 toward a \$100 relief check, or to have a man just sitting idly by on the back porch just staring vacantly into space.

To me, it makes commonsense that if a community work program was established, I would just as soon have the Federal Government contribute that same \$50 to match the State's \$50 to put a person on useful work or to train him in a useful vocation.

Therefore we have advocated this entire series of programs. The administrative rulings, I believe, have been made part of the record. The legislative program is being presented today with the President's message.

May I say this is the first time in the history of this country that there has ever been a President's message devoted entirely to the problems of welfare.

As this develops during this session and during the coming years, there is a very big role to play by this Appropriations Subcommittee. I think the leadership is going to have to come here as much as anywhere else.

Mr. FOGARTY. I realize that. But, being very practical about it, we just can't seem to get many people interested in some of these things. I have been trying to think of some sort of a speech that will get people interested in the training of this personnel.

I personally think we ought to do something about it. I think this is one of the weak spots in our whole system of welfare. We have people running some of these programs in local communities and in States that have had no training at all, but they have the responsibility for statewide programs and communitywide programs.

The practical thing is that for 3 years it was recommended and we just can't get it through the committee. The first year it was recommended by this subcommittee, and was stricken out in the full committee. I don't believe I had 5 out of 50 votes in that committee at that time.

That year an attempt was made on the floor of the House to insert funds for this purpose, and we got nowhere. And last year we got nowhere.

I think in such a huge program as this we ought to be spending money for training. But the answer we get is: "Well, the States ought to do something. They ought to put up some money, too."

INCREASED PUBLIC INTEREST IN WELFARE

Secretary RIBICOFF. I don't want to lose this thought, Mr. Chairman. Keep this in mind: I think for the first time the country has been aroused. I have found welfare has become front-page news. It has been front-page news for a long time now, for this entire year. This was started by me long before Newburgh ever came into being.

Although the Newburgh approach was wrong, it did one service: It made this whole problem front-page news. NBC last Sunday showed "The Battle of Newburgh," a documentary which I think is a fantastically good documentary, which again has become controversial.

There is an interest in welfare reform. The communities are upset about it. Keep in mind this obligation, Mr. Chairman. The overall bill for welfare in this country is some \$4 billion; \$2 billion of it basically is Federal. Also, Congress has charged us with the responsibility to make sure that it is effectively and efficiently administered.

What we have done, it is an open-end appropriation. We give a blank check to the cities and a blank check to the States. Under these circumstances I think the Federal Government has a right to be concerned about where does this end; how far does it go; to what size does it burgeon.

I would say now that I can understand the reluctance of any Congressman to say, "Why should we spend all this extra money when all we are doing is just pouring out money and nothing has been accomplished?"

It is our hope that, for the first time, when Congress sees that we are on a constructive basis, they will recognize the meaning and also have a willingness to go along to try to make a constructive new approach.

I have talked to many Members, both Republicans and Democrats, about this legislation. Congressman Mills is very enthusiastic. I think he said he is going to try to start hearings on the 7th. He asked me whether I could be ready to start testifying next week, and I told him that I would.

Therefore it would seem to me that if you can get this new welfare program through the Congress—and Congressman Mills says he will take it up right after the tax bill; he has given it priority over the

trade bill—I think if you can get this support, I think Congress will then back you up to give you the money to put the program into effect.

COST OF TRAINING WELFARE WORKERS

Mr. FOGARTY. Is this \$3.5 million request for training 100 percent Federal?

Mr. KELLY. It is 100 percent, sir. The act was changed from 80-20 to 100.

Mr. FOGARTY. Members of Congress should realize that it is to their benefit, too.

Mr. KELLY. I think it is, Mr. Chairman; but it is not unlike a number of training programs where we are fully supporting the training program under a theory of public policy, that what we are creating is a national resource, that there is a national purpose to be served by the people in the field of medical research, by the people in the field of public health, by the people in the field of teaching of the mentally retarded or the teaching of the deaf.

Here, too, we are trying to create a national resource to overcome a shortage to fulfill a national purpose. So I think this legislation is really not unlike the legislation in a great many fields we are supporting, but it has gotten a different receptivity.

Mr. FOGARTY. Unfortunately I think Congress has never looked favorably on welfare programs or social workers, to be honest with you. I think it is a tragedy, but it has been going on for a long time.

Secretary RIBICOFF. Yet the Federal Government has a \$2 billion bill that it is paying every year. So if it has a \$2 billion bill, it has a vital interest in this program.

Mr. FOGARTY. When the 80-20 percent formula was offered—

Mr. KELLY. We were unable to get the appropriation.

Mr. FOGARTY. And you remember the argument that was used.

Mr. KELLY. The argument was that there now exists authority for 50-50 matching, treating it as an administrative expense. But we were unable to get funds on an 80-20 basis. Then the law was changed to make it 100 percent.

Mr. FOGARTY. What year was that?

Mr. KELLY. 1956, it seems to me, was when the act was amended to first make it available on an 80-20 basis, and in 1961 the act was amended to authorize 100-percent Federal support.

Mr. COHEN. I would say this, Mr. Fogarty. In our legislation, recognizing this difficulty, we are proposing to the Congress a change in the legislation on this point.

Whereas under the existing law we have a request in for \$3.5 million for the training of welfare workers and social workers generally across the board, we are proposing that the legislation be changed so that the \$3.5 million which we have requested will be directed to training personnel available to work primarily with families with unmarried mothers or deserting parents, and for work in preserving and strengthening family life.

Recognizing these tremendous problems that you have indicated, the Secretary is proposing really a change in emphasis in the program, primarily directed toward legislation. But it is the use of this same \$3.5 million for this year to direct that money into training people to deal with these problems of the unmarried mother, the deserting

father, and the problems of strengthening family life, just along the lines about which we talked previously in delinquency, the problems of the slums, and so on.

We recognize in the first place, as the Secretary said, that you can't train all the people you want now anyway. There is a tremendous shortage. So we have taken out these three areas, which I think are the three areas where the Federal Government and the States are spending money, where we feel we can do the most good.

So that will be a complete change in emphasis if this money is appropriated.

We would also simultaneously, though, change the matching requirements from 50-50 to 75 percent for training in the regular law to try to do exactly what you said—encourage the States to do more on their own. Then this 100-percent Federal money for this small amount would be directed toward training some people in these special areas to go out and work with the States.

Mr. FOGARTY. That is a different approach from what we have had in the past. You are referring to these three major areas.

Mr. COHEN. The three real crucial problems represented.

CONNOTATION OF SOCIAL WORKERS

Mr. FOGARTY. You are an expert in social work, Mr. Cohen. I think we discussed this before. When I talk about these problems to organizations at home, just the word "social worker" is not a good word. People connect social worker with socialization and socialized medicine and socialism.

I have suggested that maybe we ought to get rid of that term "social worker," but some of the older ones say, "No, we have lived with it all these years; we want to keep it."

I would like to get your ideas on it.

Mr. COHEN. I recognize the point that you make very well. I think there is a lack of understanding of what is really involved here. I think if we could emphasize the idea that these are people who work with families, that these are family workers, that these are community workers, there might be a little different emphasis on it.

These people who are really trained are interested in helping protect and defend and preserve and strengthen family life. That in my opinion should be the major emphasis in directing all this work at the present time.

FEDERAL AID TO EDUCATION

Mr. FOGARTY. Mr. Secretary, in the newspaper again on January 29, Chairman Adam Clayton Powell of the House Education and Labor Committee said that Federal aid for public school construction is dead for this session of Congress.

Does that mean that any other Federal aid to education is about dead?

Secretary RIBICOFF. I would say this. As far as this is concerned, we are pushing the entire administration program. The general aid to education bill went through the committee and is tied up in the Rules Committee. I don't know how we are going to spring it loose from the Rules Committee.

We have a five-point education program that we are pushing for in the hopes that it will pass. But I think the general aid to education is more or less in the control of the Congress now instead of the executive branch.

VOLUNTARY HEALTH ORGANIZATIONS

Mr. FOGARTY. Every once in a while we see publicity about the voluntary health agencies' fund raising campaigns. The AMA is apparently pushing for a better check on these fund-raising organizations.

I was sent a brochure from the American Heart Association, showing that they have gone into this whole program themselves and I think have straightened out some of the difficulties. I think it is a study that should be done by all voluntary organizations and not have it done by somebody else. They ought to do it themselves.

Do you have anything to say about that?

Secretary RIBICOFF. I have talked on the subject. My attitude is that this ought to be done on a voluntary basis, that these organizations have a responsibility. I am against the Federal Government trying to regulate any of these organizations.

But you do have the National Health Council who are working on this. I was visited 2 or 3 weeks ago by top officers, people interested in the Heart Association. They went over with me what you are saying. They explained how they are operating, their sense of responsibility, their reporting.

It is my understanding that they have taken the lead with the other voluntary health agencies to see whether they can't come to an agreement on a uniform type of reporting, a uniform type of accounting and auditing, for them to be very frank that, if any of the other health agencies violate this, to publicly state so, that they should have the courage that if X health agency does not comply with the rules and regulations handed down by their own council that they would make this public.

I would encourage this to be done on a voluntary basis. I think many voluntary health agencies do a very good job. A few, I suppose, have high overhead and they don't report. But I do think they are in a position of public trust and they should make their position clear to the public.

Mr. FOGARTY. I think by and large they are run on a fairly good basis.

Secretary RIBICOFF. They are.

Mr. FOGARTY. But every once in a while you see where someone runs off with the funds. However, that happens in banks and other businesses, too. I know the one that is thrown out to me every once in a while is the Sister Kenney Foundation.

Of course, when it was discovered, the people were prosecuted and they have been indicted just recently. It has been reorganized now with a new group, and I think a very good group.

Dr. Kruzen is a very energetic man and will do a good job in getting the Sister Kenney Foundation on its feet again. It has done exceptionally fine work, and is still doing fine work.

Mr. MARSHALL. I am glad that our chairman is making reference to that because I think it is helping out in restoring confidence in the Sister Kenney program.

Mr. FOGARTY. It will help the other voluntary organizations to keep on their toes and to make sure that nothing like this happens in their own organizations, because this has been given wide publicity.

Mr. DENTON. May I ask a question?

Mr. FOGARTY. Yes.

Mr. DENTON. Somebody sent me some literature about these voluntary health organizations. The amount of money they spent for research was surprisingly low—less than 10 percent of what they collected.

Do you know anything about that?

Secretary RIBICOFF. 10 percent seems low. I would say that different agencies spend variable sums. I don't know the literature you are referring to. If I had it, I would try to check it, sir. I haven't seen that. I think different agencies spend different amounts on research.

Mr. DENTON. I think we all got that literature I am referring to. I wouldn't want to say 10 percent, but it is surprisingly low.

Secretary RIBICOFF. Mr. Denton, I don't have that.

WATER FLUORIDATION

Mr. FOGARTY. Mr. Secretary, what is your position in water fluoridation?

Secretary RIBICOFF. Well, my position is that I think it is a good program. Our Public Health Service has done considerable research. They have felt that, without a question, scientifically it prevents decay of the teeth. But this a problem again which is a local problem that the States and local communities are going to have to decide.

We are encouraging the Surgeon General to continue his research and efforts in this behalf.

Mr. FOGARTY. The thing that disturbed me is that, from the justifications and the stories I have read, we are slipping backward.

Secretary RIBICOFF. These are usually local option matters. I know they were in my own State. From what I read in the papers, in the local communities the opponents have been able to mount the majority vote in many communities.

I think this is a problem they have, and it is a slow process of education to get the people to adopt this.

Mr. FOGARTY. Do you have any plans to do anything about this?

Secretary RIBICOFF. As far as the Surgeon General is concerned, his staff is available to make speeches and is available to try to explain this program to the American people and to the communities on call. But again I don't know what we can do.

Mr. FOGARTY. I think the local dentists could perhaps do more than they have.

Secretary RIBICOFF. They could take the lead in this, too, it is true.

Mr. FOGARTY. They have endorsed it in some areas, but I don't think they do much about it.

Secretary RIBICOFF. They talk about it, but they don't get in when the fighting is there.

INCREASED SALARIES FOR MEDICAL SCIENTISTS

Mr. FOGARTY. You told us last year you were going to try to get higher salaries for some of your medical scientists and I agreed 100 percent with you. How successful were you?

Secretary RIBICOFF. We weren't very successful. We tried. I think the President in his new pay plan is contemplating a very substantial increase for the scientists.

I repeat to you, with even more emphasis from a year's knowledge and experience, that we have some of the best men in the country and some of the most underpaid men. It is a travesty on the sense of fairness.

Mr. FOGARTY. We are losing some good men, too, aren't we, because of that?

Secretary RIBICOFF. We lose them constantly. I was over at the NIH about a month ago and talked to a young man who heads up one of the heart programs. He gets a salary of some \$16,000 or \$17,000 a year. He is married and has three or four children.

He told me he had an offer from a large Chicago hospital to come to that hospital at a salary of \$40,000 a year, with complete freedom of research activity. In addition, they were going to give him one-third of the time for his own practice and assured him that this would mean an earning capacity of \$100,000 a year.

He told me that it was most tempting, but yet he loves the work he has been doing. He is dedicated to NIH, and he stayed.

But how much can we expect these men to sacrifice when you consider freedom of activity with \$100,000 a year as against \$16,000 or \$17,000? I think it is unfair. I would hope that the President's suggestion would be adopted. I know you people tried to do something last year, and we ran into another committee's problems.

Mr. FOGARTY. We don't have the authority to do it. If we had, I think we would have corrected this long before.

Secretary RIBICOFF. I know you would.

Mr. FOGARTY. When is the President going to send up this plan?

Secretary RIBICOFF. It is publicized, and I think it should be due within the next few weeks.

Mr. KELLY. That is our understanding.

Mr. FOGARTY. Is this for all Federal employees?

Secretary RIBICOFF. I think for all Federal employees. If my memory serves me right, some of the scientists in NIH would go to about \$28,000, wouldn't they?

Mr. KELLY. This was in the Budget Bureau paper. The President's final recommendations will settle it.

Secretary RIBICOFF. The last figure I heard was to take these men that we are talking about up to \$28,000, Mr. Chairman.

ADVERSE EFFECTS OF SMOKING

Mr. FOGARTY. Mr. Secretary, this is something that has been bothering me over the years. Here are some articles concerning smoking. This is obviously not intended to be anywhere near complete, but I think this is representative of what we have been reading during the last few years.

The Washington Star, November 28, 1961:

If spinach were bad as tobacco, doctors say, it would be banned.

The New York Times, October 21, 1961:

Smoking indicted in heart disease. Biological explanation of link is offered in report to scientific conference.

The New York Times, June 7, 1960:

Smoking is linked to heart disease. Heavy use of cigarettes is seen as contributing to coronary attacks.

The Journal of the American Medical Association, November 28, 1959: "Smoking and Lung Cancer, a Statement of the Public Health Service." In this article it was stated:

No method of treating tobacco or filtering the smoke has been demonstrated to be effective in materially reducing or eliminating the hazard of lung cancer. The nonsmoker has a lower incidence of lung cancer than the smoker in all controlled studies.

The Washington Daily News, October 20, 1959:

Belief: Million students face death by lung cancer some day. Experts urge Don't Smoke Drive.

The New York Times, August 7, 1959:

Health risk seen in heavy smoking. U.S. study notes increase in deaths due to illness—industry is dubious.

Public Health Reports, volume 74, No. 7, July 1959:

Tobacco consumption and mortality from cancer and other diseases. A study of some 200,000 life insurance policyholders contributes striking evidence that regular cigarette smokers are subject to increased risks of dying from lung cancer, as well as cardiovascular disease, certain respiratory diseases, ulcers, and cirrhosis of the liver.

Public Health Reports, volume 74, No. 3, March 1959:

Smokers double nonsmokers in heart disease.

Public Health Reports, volume 73, No. 8, August 1958; "Smoking Mortality Rate Among Veterans." In this article it was pointed out—

the death rate from all causes from persons who used tobacco was 16 per 1,000, compared with 13.1 per thousand for persons who never smoked. Adjusted for differences in age distribution between the two groups, the death rate was 32 percent higher for smokers than for nonsmokers.

Unless a lot of eminent doctors, both in the Public Health Service and outside the Government, are just kidding, smoking is one of the leading public health problems in the Nation today. Do you have anything in the budget to deal with the problem of smoking?

Secretary RIBICOFF. I read these articles myself, Mr. Chairman. I have no offer of any solution. I think work is being done now at NIH.

Mr. KELLY. On research as to the effects of smoking?

Secretary RIBICOFF. I think the Surgeon General and the NIH people can bring you more up to date on what the situation is. Like you say, I am not a smoker myself. But I do read these articles the way you do from many prominent people, many prominent experts.

Mr. FOGARTY. The first quotation I read was an NIH doctor, "If spinach were bad as tobacco, it would be banned."

More and more doctors every year are quitting smoking. I think that is a pretty good sign there is something to these reports.

LEGISLATION IN THE APPROPRIATION BILL

Mr. Kelly, you know the problem we have with legislation in this appropriations bill.

Mr. KELLY. Yes, Mr. Chairman.

Mr. FOGARTY. I guess you are just looking for trouble, because it seems to me, instead of getting rid of this legislation, you are adding more.

Secretary RIBICOFF. I thought you told me, Mr. Cohen, that you were going to have bills to take care of every point of order.

Mr. COHEN. They are pending in the Budget Bureau.

Mr. FOGARTY. But you have a few new legislative provisions added and the old ones are still there, too. You have more new legislative provisions this year than old ones deleted. I think that some of these legislative provisions are good. I think they can save money and allow you to operate more efficiently.

But when somebody wants to get ornery on the floor and make a point of order, there isn't one solitary thing we can do about it.

Mr. KELLY. Mr. Chairman, I know we have been slow in getting this resolved, but we have nonetheless taken your suggestion to us to get these out of the bill quite seriously. Bills have actually been drafted for all of the point of order legislation that deals with the Social Security Administration, the Office of Education, the Vocational Rehabilitation Agency, and the special institutions, and have gone to the Budget Bureau.

The point of order legislation with respect to the Public Health Service is in the process of being drafted. We are as hopeful as you are that we can get this legislation up to the Congress and get it enacted so we don't run the gamut of taking an important provision that significantly affects the program and running the risk of one Member not liking it and striking it out.

Mr. FOGARTY. That is what we are up against. I know some of these provisions will expedite some of these programs and in many areas save the Government money. But I can't do anything about it if a point of order is raised.

How long has this been in the Bureau of the Budget?

Mr. KELLY. It has just gone over quite recently.

Mr. FOGARTY. Submit a statement for the record giving just what the status of this is.

(The requested information follows:)

II. STATUS OF POINT OF ORDER BILLS

Drafts of bills to incorporate into substantive legislation authority now included only in appropriation language, relating to (1) social security, (2) institutions (Howard University, Gallaudet, and St. Elizabeths Hospital), and (3) the Office of Education and the Office of Vocational Rehabilitation, have been prepared and are in the final stages of review within the Department, after which they will be submitted to the Bureau of the Budget for clearance.

Draft bills to incorporate such language into substantive legislation, relating to the Public Health Service and to miscellaneous items applying to the Department as a whole, are in a very preliminary stage of preparation.

MICHIGAN STUDY ON ATTITUDES TOWARD GOVERNMENT EXPENDITURES

Mr. FOGARTY. Were you able to get that study made by the University of Michigan?

Mr. COHEN. Yes, sir. I brought it yesterday. We said we would put it in the record. I will give you a copy.

(The requested information follows:)

[For release Sunday, Jan. 21, 1962]

SURVEY RESEARCH CENTER, INSTITUTE FOR SOCIAL RESEARCH, UNIVERSITY OF MICHIGAN, ANN ARBOR, MICH.

CONSUMER ATTITUDES TOWARD GOVERNMENT EXPENDITURES

(This is the second release based on the survey research center's most recent quarterly survey on consumer attitudes and inclinations to buy. The first release of January 4, 1962, discussed data on consumers' intentions to buy durable goods and their business expectations. Findings about the attitudes of the American people toward Government deficits, defense expenditures, and various domestic programs of the Federal Government are presented here. The surveys are directed by George Katona and Eva Mueller)

I. MOST PEOPLE FAVOR INCREASED GOVERNMENT EXPENDITURES

In two nationwide interview surveys, conducted in June and in November 1961, the survey research center queried representative samples of American households—alternately the heads of households and their wives—on various aspects of information about and attitudes toward Government activities. One phase of the study began by handing respondents a card which listed “some of the things on which the Government spends money.” For each type of expenditure, respondents were asked to indicate whether in their opinion the Government should spend more money than now, less money than now, or about the same amount.

It can be seen from table 1 that the American people express support for most domestic economic programs of the Federal Government. The majority say that more money than now should be spent on education, hospital and medical care, as well as on help to older and to needy people. Only a small proportion of people are of the opinion that less money should be spent on these programs. The differences among different income groups are not substantial.

Some other programs receive support in the sense that the proportion of those who say that the Government should spend more money than now is greater than the proportion who say that the Government should spend less money than now. There are only two domestic programs for which the answer “spend less” is more frequent than the answer “spend more”—space exploration and support for agriculture.

After respondents had expressed their attitudes toward each Government program, they were asked: “You said the Government should spend money on * * *; if the Government had to raise taxes to finance the additional expenditures, then for which of these things would you favor spending more money?” In other words, people were urged to reconsider their previously stated opinions. It was suggested to them that they may not have considered the necessity of raising taxes to finance the additional expenditures, and they were asked whether in this case they would still stick to their previous opinion. As can be seen from the last columns of table 1, most people revised their opinions in response to the new question. They listed fewer programs for the Government to spend more money on than before, but they still expressed a need for the expansion of a number of Government services.

Education tops the programs in the new list. Forty-one percent of all people and 43 percent of high-income people said that the Government should spend more money on education, even if these additional expenditures required raising taxes. Similar figures for defense outlays are 30 percent, for help to older people 34 percent, and for hospital and medical care 25 percent. There is not much difference between high-income and low-income people in the way they react to the prospect of tax increases. The majority of people favor additional expenditures for at least one or two Government programs, in the sense that they express approval of higher taxes for the purpose of expanding the programs.

TABLE 1.—*Attitude toward Government programs*

[In percent]

Program	All families					All families	Families with incomes over \$10,000
	Government should spend—						
	More	Less	Same	No opinion	Total	More even if taxes need to be raised ¹	
Help to older people.....	70	3	23	4	100	34	33
Help to needy people.....	60	7	28	5	100	26	22
Education.....	60	7	25	8	100	41	43
Hospital and medical care.....	54	9	28	9	100	25	25
Highway construction.....	36	10	45	9	100	13	11
Unemployment benefits.....	29	14	45	12	100	10	7
Parks, recreational facilities.....	27	15	48	10	100	7	6
Space exploration ¹	26	32	28	14	100	14	17
Support for agriculture.....	20	26	34	20	100	6	1
Defense, rearmament ¹	47	6	34	13	100	30	36

¹ Question asked only in November 1961.

The questions were:

The Government spends money on many things. On this card is a list of some of the things on which the Government spends money. How about * * * (specific program). Do you think the Government should be spending more money, less money, or about the same amount? (The question was repeated for each program.)

You said the Government should spend money on * * * (name items). If the Government had to raise taxes to finance the additional expenditures, then for which of these things would you favor spending more money?

NOTE.—These data were collected in 2 nationwide surveys conducted in May-June and November 1961. The samples consisted of 2,300 cases.

II. MOST PEOPLE ARE OPPOSED TO DEFICITS

Relatively few people favor spending less than now on defense and armament. The possibility that defense spending would increase over the next few years was explicitly suggested to the respondents and they were asked how in their opinion possible increases in defense expenditures should be financed. In spite of their support of several domestic Government programs, the majority said that the Government should spend less on other things if defense expenditures should go up. (See table 2.) Yet 3 out of every 10 Americans said that in that case taxes should be raised.

TABLE 2.—*Opinions about financing increased cold war expenditures*

[In percent]

Government should—	All people	People with \$7,500 income or more
Raise taxes.....	23	22
Spend less on other things.....	55	55
Do both.....	6	8
Go further into debt.....	4	5
Other combinations.....	1	2
Depends, don't know, not ascertained.....	11	8
Total.....	100	100

NOTE.—The question was: If the cold war with Russia should cost us more money during the next few years, do you think the Government should raise taxes, or spend less on other things, or go further into debt?

A third possibility of financing increased Government expenditures—to go further into debt—was chosen by a very small proportion of American people. This finding calls for an exploration of attitudes toward deficits.

Most better educated people knew in the fall of 1961 that the Government was operating with a deficit. To the question, "Do you happen to know whether the Federal Government is now operating with a deficit?" 54 percent of all respondents answered in the affirmative (3 percent said "no," and 43 percent that they didn't know). The higher the income, the more frequent were the affirmative answers. Among people with more than \$10,000 annual income, 82 percent said that the Government operates with a deficit.

The questioning then turned to the probable effects of deficits on business conditions. Among those who knew that there is a deficit (about one-half of all people), 17 percent spoke of favorable effects and 29 percent of unfavorable effects on business conditions. (The majority could not say what effects deficits have had on business conditions.) Favorable effects of deficits were explained in terms of more money spent or more people employed. Among unfavorable effects, in addition to feelings of insecurity, it was fairly frequently mentioned that taxes will need to be raised or that inflation would ensue.

These answers were quite similar to the answers received to another question asked about the effects of international conflict and the cold war on business conditions. Good times signify to most Americans times of rising standards of living. Consistently for more than 10 years many people have felt that international tensions do not contribute to good times. Another sizable group argued however, especially in November 1961, that the cold war and defense expenditures brought about business recovery. When favorable effects of international tensions on business conditions were mentioned, they were discussed in the past tense. Regarding the future, uncertainty and the possibility of tax increases received predominant mention.

These findings go far to explain the fact that consumer confidence and expectations are not exuberant at the present time. Recent international developments which at their worst mean the end of the world, at their best mean artificial good times, and for many people imply the threat of inflation or higher taxes, counterbalance a number of favorable aspects of the present economic situation. The favorable factors are general awareness of business recovery, the belief that price increases are less widespread than in previous years, the fact that many people feel less burdened by installment debt than a year or two ago and finally, favorable attitudes toward the presently offered assortment of automobiles and new models. It is probable that these favorable attitudes and rising incomes will assert themselves and consumer willingness to buy will increase should there be a relaxation of international tensions in the near future.

LEGISLATIVE PROGRAM

Mr. FOGARTY. Mr. Secretary, we have discussed most of your proposed legislation but it might be well to have a summary of it all in one place.

Mr. KELLY. We could prepare a statement with respect to each, Mr. Chairman.

Mr. FOGARTY. Fine.

(The statement referred to follows:)

I. LEGISLATIVE PROPOSALS SPONSORED BY DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE DURING 87TH CONGRESS

A. PROPOSALS ALREADY ENACTED

Food Additives Transitional Provisions Admendment of 1961. Status: Enacted into law April 7, 1961, Public Law 87-19.

Federal Water Pollution Control Act Amendments of 1961. Status: Enacted into law July 20, 1961, Public Law 87-88.

Community Health Services and Facilities Act of 1961. Status: Enacted into law October 5, 1961, Public Law 87-395.

Aid to dependent children of unemployed parents. Status: Enacted into law May 8, 1961, Public Law 87-31.

Juvenile Delinquency and Youth Offenses Control Act of 1961. Status: Enacted into law September 22, 1961, Public Law 87-274.

Social Security Amendments of 1961 (including emergency repatriation assistance). Status: Enacted into law June 30, 1961, Public Law 87-64.

Transfer Freedmen's Hospital to Howard University. Status: Enacted into law September 21, 1961, Public Law 87-262.

Amend Federal Property and Administrative Services Act so as to authorize use of surplus personal property to State distribution agencies. Status: Enacted into law July 20, 1961, Public Law 87-94.

B. PROPOSALS ALREADY INTRODUCED IN CONGRESS

Health Professions Educational Assistance Act

H.R. 4999: House Committee on Interstate and Foreign Commerce; S. 1072: Senate Committee on Labor and Public Welfare.

Would authorize a 10-year program of \$75 million annually in grants for construction of medical, dental, osteopathic, and public health teaching facilities and scholarship aid to students in such schools.

Status: Hearings have been held by Senate committee; House committee has scheduled hearings to begin on January 23, 1962.

Costs: Fiscal year 1963: New obligational authority, \$34,400,000; expenditures, \$9,300,000.

Establishment of the National Institute of Child Health and Human Development

H.R. 8398: House Committee on Interstate and Foreign Commerce; S. 2269: Senate Committee on Labor and Public Welfare.

To provide much-needed research in the area of intellectual and physical development of the child, on the one hand, and of the particular problems of the elderly on the other; also converts status of the Division of General Medical Sciences to an Institute.

Status: Pending in House and Senate committees.

Costs: Additional costs of the proposal per se will not exceed \$1 million annually, since no new program authority is involved. Will undoubtedly stimulate additional research and training activities, however, and this will lead to increases in program and administrative costs.

Higher education construction and scholarships

H.R. 5266: House Committee on Education and Labor; S. 1241: Senate Committee on Labor and Public Welfare.

Would authorize \$300 million annually for 5 years in direct loans for construction of academic facilities. Also amends the National Defense Education Act to provide for 4-year scholarships to undergraduate students selected on the basis of need and ability by State scholarship commissions, together with cost allowances to institutions.

Status: S. 1241 was reported out by Senate committee (S. Rept. 1072, September 19, 1961) without major change from our original proposal except for the addition of a new program of \$50 million annually for grants to States for construction of public junior college facilities; the scholarship program was unchanged except for removal from the NDEA.

The House committee reported out H.R. 7215 which added construction grants (\$180 million) and correspondingly reduced the ceiling on loans (to \$120 million), and (independent of the NDEA) authorized \$30 million annually for new 2-year scholarships, with no provision for cost-of-education allowances; under the committee bill the scholarships would be administered by the institutions. The House Rules Committee refused a rule on this bill.

The House committee later reported out H.R. 8900 which followed verbatim the grant and loan facilities construction title of H.R. 7215 but omitted the scholarship program.

H.R. 8900 passed by the House on January 30; S. 1241 presently under consideration on Senate floor.

Costs: Fiscal year 1963: New obligational authority, \$332,200,000; expenditures, \$20,800,000.

Assistance to public elementary and secondary schools

H.R. 4970: House Committee on Education and Labor; S. 1021: Senate Committee on Labor and Public Welfare.

Title I of S. 1021 (as originally introduced) and of H.R. 4970 would authorize \$666, \$766, and \$866 million, respectively, for 3 years in grants to States (to be allotted on a public school attendance basis) to assist them in paying more adequate teachers' salaries and in hiring needed additional teachers in public

elementary and secondary schools, and to assist them in constructing urgently needed public school facilities; \$66 million of each year's authorization was earmarked for special projects to improve education; this feature of the bill, together with the appropriation authorization is now embodied in our 1962 "improvement of educational quality" proposal (*infra*).

Title II would amend Public Law 815 and Public Law 874, 81st Congress, to reduce by 50 percent the Federal payment to "B" children (whose parents live on private property but work in federally-owned and tax-exempt installations), increases the eligibility condition for payments on account of such children from 3 to 6 percent (over 3-year transition period), generally reduce the local contribution rate used in determining Federal payments, and make other amendments to these Federal impact area laws.

Status: S. 1021, with amendments, passed the Senate May 25, 1961. H.R. 7300 reported out by House committee (H. Rept. 445, June 1, 1961), but blocked in the Rules Committee.

Costs:

Teachers' salaries and school construction grants. Fiscal year 1963: New obligational authority, \$600 million; expenditures, \$90 million.

Public Law 815 and Public Law 874 amendments. Fiscal year 1963: New obligational authority, —\$58,200,000 (savings); expenditures, —\$36 million (savings).

Health insurance for the aged

H.R. 4222: House Committee on Ways and Means; S. 909: Senate Committee on Finance.

Provides, for individuals aged 65 and over who are entitled to OASDI benefits or are annuitants under the railroad retirement system, in any period of illness—

- (1) 90 days inpatient hospital services.
- (2) 180 days posthospitalization skilled nursing home care.
- (3) Outpatient hospital diagnostic services.
- (4) 240 visits for home health services.

Items (1) and (3) would be subject to a deductible, and there would be an overall limit on (1) and (2) of 150 units of service in a period of illness (2 days of (2) or 1 day of (1) equals 1 unit).

Status: Hearings were held in the House Ways and Means Committee from July 24 to August 4, 1961. The four volumes of hearings have now been published. One hundred and fifty witnesses, representing all segments of our national life and the professions concerned, were heard, reflecting the great interest in this legislation. The Congress is expected to take up the measure for further consideration in 1962.

Costs: The proposal would be financed by contributions—one-quarter percent each on employees and employers with respect to the earnings of the employees, and three-eighths percent on self-employed with respect to their earnings. Taxable earnings would be increased to \$5,200.

Grants and contracts for research relating to maternal and child health and crippled children services

H.R. 9299: House Committee on Ways and Means; S. 2273: Senate Committee on Finance.

Would authorize grants, contracts, and cooperative arrangements for such research. Would also authorize appointment of advisory committees and provide for exemption of members of Social Security Administration advisory groups from conflict of interest laws.

Status: Pending in House and Senate committees.

Costs: Fiscal year 1963: New obligational authority, \$2,100,000; expenditures, \$2,095,000.

Protection of HEW enforcement officers

H.R. 9503: House Committee on the Judiciary.

Would include certain officers and employees of this Department within the provisions of sections 111 and 1114 of title 18 of the United States Code relating to assaults and homicides.

Status: Pending in House committee.

Additional Assistant Secretaries

H.R. 6839: House Committee on Interstate and Foreign Commerce; S. 2073: Senate Committee on Labor and Public Welfare.

Would establish a new Assistant Secretary primarily to coordinate international activities. S. 2073 would, in addition, make the Special Assistant on Health and Medical Affairs an Assistant Secretary; this bill is satisfactory to the Department.

Status: S. 2073 has passed the Senate and is pending in the House Committee on Interstate and Foreign Commerce.

Validate certain payments made to commissioned officers of the Public Health Service

Would validate payments of certain special station per diem allowances for quarters and certain basic allowances made in good faith to commissioned officers of the Public Health Service, which the Comptroller General has advised were invalid.

Status: Submitted to Congress January 18, 1962; not yet introduced.

Public welfare services, prevention, rehabilitation, and training

H.R. 10032: House Committee on Ways and Means.

This proposal would make major changes in the public assistance and welfare programs of the Department. The principal provisions are the following:

(1) An increase from 50 to 75 percent in the Federal share for prescribed self-support, self-care, and other services, and training, under four public assistance (PA) programs.

Also requirement that minimum of services be provided in four public assistance programs; extension of the matching provisions on prescribed self-support and self-care (and other) services to those who were or are likely to become applicants or recipients; extension of these provisions to services purchased by the State agency from nonprofit agencies or provided or purchased (from nonprofit agencies) by other appropriate State agencies.

(2) Expansion and improvement of child welfare services provisions through increase in the authorization of appropriations gradually to \$50 million by fiscal 1969 (\$30 million for fiscal 1963); earmarked appropriations of \$5 million in 1963 and \$10 million a year thereafter for day care; requirement of coordination between CWS program and services under dependent children program; requirement or progress toward statewide availability of trained staff social services, to be accomplished by 1975; and requirement of arrangements with State health and educational agencies with respect to children receiving day care.

(3) A new plan requirement for dependent children program that a program for appropriate welfare and related services be developed for each recipient child.

(4) Change the name of the dependent children program to Aid and Services to Needy Families With Children, to reflect emphasis on services and rehabilitation.

(5) Expenses of earning income required to be considered in determining need under four PA programs.

(6) Federal financial participation in dependent children program for work training authorized for 5 years under limited conditions.

(7) Federal financial participation in protective payments (made to some other interested person on behalf of child and caretaker relative) authorized under dependent children program under very limited conditions.

(8) Aid under dependent children program authorized for spouse of relative with whom dependent child is living where spouse is also living in the home. Also continuation or resumption of aid under dependent children program authorized for relative from whose home a dependent child (receiving foster family home care) was removed because of its unsuitability, if this would aid in necessary improvement of the conditions in the home.

(9) Federal funds authorized for training to increase adequately trained welfare personnel to work with families with illegitimate children or deserting father or to preserve and strengthen family life—in lieu of present training grant provisions; also training for child welfare services program authorized.

(10) More than 1 year's durational residence requirement prohibited under old-age assistance, aid to the blind, and aid to the permanently and totally disabled programs (comparable limitation imposed under dependent children program) and increase of one-half percentage point provided in Federal percentage (and Federal medical percentage) for any State which has no residence requirements in any of its four PA programs.

(11) Optional new category for aged, blind, and permanently and totally disabled, and medical assistance for aged, authorized with requirements and matching provisions substantially the same as at present.

(12) Most temporary programs made permanent—ADC based on unemployment of parent; foster family home care participation, with addition of Federal payments for foster care in nonprofit private child-care institutions; \$1 increase in Federal share in three (adult) PA programs; and aid for repatriated citizens.

(13) Removal of dollar limitation on total of Federal payments under four PA programs to Puerto Rico, the Virgin Islands, and Guam.

Status: Submitted to the Congress on February 1, 1962, following President Kennedy's special message on welfare.

Costs:

New legislative proposals. Fiscal 1963: New obligational authority and expenditures, \$93 million.

Extension of expiring provisions (included in regular 1963 budget). Fiscal 1963: New obligational authority and expenditures contained in President's budget submitted to the Congress in January totaled \$125.4 million. Estimate, as revised on the basis of later data, totals \$97.9 million, or \$27.5 million below the January estimate.

C. PROPOSALS NOT YET SUBMITTED TO CONGRESS

Air pollution

Extend and strengthen the Air Pollution Control Act by newly authorizing federally initiated studies of community air pollution problems of more-than-local significance, providing for regional research centers, authorizing project grants for air pollution control programs, providing for public conferences on special community or interstate air pollution problems, and removing present duration and appropriation limitations.

Status: Not yet submitted to Congress.

S. 455, passed by the Senate and referred to House Interstate and Foreign Commerce Committee, is less comprehensive; it extends the present act for 2 years, until June 30, 1966, and continues the present appropriation limit of \$5 million; it also provides for federally initiated studies and for public hearings (similar to the provisions in our bill).

Costs: Fiscal year 1963: New obligational authority, \$2,870,000; expenditures, \$2,830,000.

Polio and other vaccination assistance

To authorize project grants to States and political subdivisions of States for use in connection with intensive community vaccination programs so organized and conducted as to achieve the immunization over a limited period of time of all or practically all susceptible persons in a community, particularly children under 5 years of age. These grants could be used to pay for (1) the cost of the necessary vaccine or other agents to protect all children under the age of 5 years; and (2) the salaries and related expenses of additional State and local health personnel needed to promote and organize the intensive community vaccination programs and to maintain additional epidemiologic and laboratory surveillance occasioned by such programs.

Status: Not yet submitted to Congress.

Costs: Fiscal year 1963: New obligational authority, \$13,575,000; expenditures, \$9,501,000.

Educational Quality Improvement Act

To improve instruction in elementary and secondary schools through (a) programs to improve the quality of teaching in elementary and secondary schools and (b) programs to encourage the broader application of improved instructional practices in elementary and secondary schools.

Status: Will be submitted to the Congress at approximately the same time as the President's special message on education, probably in early February.

Costs: Fiscal year 1963: New obligational authority, \$120 million; expenditures, \$40 million.

Adult Literacy Act

Would authorize a 5-year program of (a) grants to and contracts with universities for development of materials and methods of instructing adult illiterates and for specialized training for teachers and supervisors and (b) grants to States, allotted on the basis of relative numbers of adult illiterates, for development of State supervision of an adult literacy program, conduct of pilot projects, and support of local programs.

Status: Will be submitted to the Congress at approximately the same time as the President's special message on education, probably in early February.

Costs: Fiscal year 1963: New obligational authority, \$5,400,000; expenditures, \$3 million.

Food, Drug, and Cosmetic Act Amendments of 1962

Consideration is being given to including:

- (a) Strengthening FDA factory inspection authority.
- (b) Strengthening the regulation of drug manufacturing processes.
- (c) Requiring that a new drug be proved effective, as well as safe, before it is marketed.
- (d) Requiring that therapeutic devices be proved safe and effective before marketing.
- (e) Requiring the reporting of adverse experience with drugs to the Department, and facilitating the withdrawal of market clearance where safety or efficacy is doubtful.
- (f) Requiring certification of all antibiotics.
- (g) Strengthening the Government's ability to combat the illicit sale of barbiturates and of habit-forming stimulant drugs.
- (h) Authorizing the Department to standardize nonproprietary ("generic") names for drugs, to be used on drug labels.
- (i) Requiring that cosmetics be proved safe before marketing.
- (j) Requiring warnings on labels as to any hazards of accidental injury from foods in pressurized containers, or from drugs or cosmetics.
- (k) Making the anticancer clause in the Food Additives Amendment inapplicable to chemicals in animal feed where the animal is not harmed and a residue is not left in edible products from the treated animal.
- (l) Amending biologics control provisions of PHS Act to require a showing of efficacy.
- (m) Other technical and administrative amendments to improve the FDA program.

Status: Not yet submitted to Congress.

Costs: Fiscal year 1963: New obligational authority, \$2,383,000 (including \$296,000 covered by fees); expenditures, \$1,954,000 (including \$243,000 covered by fees).

Public Health Service reorganization plan

The proposed plan, while retaining as statutory constituent units the Office of the Surgeon General, the National Institutes of Health, the Bureau of Medical Services, and the National Library of Medicine, would abolish the Bureau of State Services, establish the Bureau of Environmental Health, the Bureau of Community Health, and the National Center for Vital Statistics, and authorize the Surgeon General, with the approval of the Secretary, to make further changes in the organization of the Public Health Service as may be required for its efficient administration.

Status: Not yet submitted to Congress.

Environmental (including radiological) health project grants

Would authorize the Public Health Service to make project grants for (1) demonstrations and experiments in new techniques for control of environmental diseases and conditions, (2) helping communities confronted with sudden and substantial environmental problems, including radiological health problems, and (3) training of personnel.

Status: Not yet submitted to Congress.

Peacetime Veterans Vocational Rehabilitation Act

To provide vocational rehabilitation services to certain veterans in need thereof to overcome the handicap of a disability incurred in or aggravated by active peacetime service.

Status: Not yet submitted to Congress.

Costs: Fiscal year 1963: New obligational authority and expenditures, \$10,800,000.

Point of order legislation and administrative improvement

Would provide substantive authority, where desirable, for numerous activities throughout the Department which are now authorized only on a year-to-year basis in our appropriation acts. Also would include provisions designed to round out the administrative authorities of the Secretary and/or heads of operating

units, such as delegation authority, authority to appoint advisory committees, accept gifts, interchange personnel with the States, engage in certain activities in the international area, etc.

Status: Separate bills are being drafted to correspond with congressional committee jurisdiction.

Assistance to Cuban refugees

The administration desires legislation designed to authorize the Department of Health, Education, and Welfare to provide a program of financial assistance, educational training, health services, and resettlement for Cuban refugees who have fled from Castro tyranny. The Department, by direction of the President, has been carrying out such a program since early in calendar year 1961 under the authority contained in the Mutual Security Act and the Act for International Development of 1961. Pending enactment of specific legislation for this program it is being financed from funds allocated from the President's Contingency Fund, Agency for International Development.

Status: H.R. 8291, which contains the desired authorizations with respect to Cuban refugees, passed both the House and the Senate last year. The House Judiciary Committee is currently considering a new bill, H.R. 10079, which contains similar authorizations.

Costs: Fiscal year 1963: New obligational authority and expenditures, \$45 million.

CUBAN REFUGEE PROBLEM

Mr. FOGARTY. Do you have any problems with the Cuban refugees which you are not able to meet? Someone is trying to contact me from down that way about perhaps some private hospital or school. I have told these people I would sit down with them when they come up.

Secretary RIBICOFF. If you would find out what the question is, we would give you a full explanation immediately.

Mr. FOGARTY. This is a sizable program.

Secretary RIBICOFF. \$45 million.

Mr. FOGARTY. You don't have much in your prepared statement on it. Is this program going to grow, or this problem going to grow, or is it leveling off?

Secretary RIBICOFF. Basically it depends on Castro's policy. These refugees keep coming in, between 1,500 and 2,000. If he lets them out, they come to the extent that they can be absorbed in our society. It is so much to the good.

At the present time they are being treated the same way as the people in Florida—those people who can't find jobs and need assistance and relief. We do find as a matter of philosophy and course that most of these Cubans are very proud people who don't want a hand-out, who don't want to be on relief, and are very anxious to get work.

We are trying as much as possible through voluntary agencies and church groups to resettle them. I think we have been able to resettle some 18,000 out of the Miami area. Many of them prefer to stay in Miami, but we are trying to move them out as fast as possible.

A lot of different communities are taking them. I have been talking to the mayor of Bridgeport, Conn., and they are starting to take a number of Cuban refugees in the Bridgeport area where they have housing to take care of them. I think Governor Volpe of Massachusetts has indicated an interest.

There are many agencies that are trying to bring these Cuban refugees into other sections of the country. I think if we can resettle them, it will help solve some of the problems.

Mr. FOGARTY. How did you make arrangements with the school district in Dade County?

Secretary RIBICOFF. We pay the school district one-half of the cost to keep a child. In other words, if it costs \$300 to educate a child in Dade County, we contribute \$150. We also contribute our share for the expansion of facilities to take care of these children by trying to figure out what the percentages would be.

We have had many conferences with the school authorities in Dade County.

EFFECT OF BUDGET RESERVES

Mr. FOGARTY. You have been here a long time. The main reason we spent so much time this year is because of the reserves in 1962.

I was very much upset with the administration—not you personally, but whoever is responsible for these cutbacks, even if it is the President. I have said before that he is going down in history as one of the greatest Presidents we ever had; but I disagree wholeheartedly with him on the action taken in this regard.

Mr. Goldberg agreed with me last week. He said on the record categorically he disagreed with the Bureau of the Budget and the President on this.

This is from the Acting Director of the Bureau of the Budget, and it is quoting from the President:

We are especially desirous that new programs and expansions of existing programs be undertaken with caution and deliberation to make sure that sound criteria are used, careful plans are laid, and minimum funds are spent.

This is the sentence I was especially impressed with:

I much prefer that obligational authority remain uncommitted where there is any doubt that expenditures would yield substantial returns to the national interest.

How does that fit the cutbacks in your 1962 appropriations?

Secretary RIBICOFF. I would say, interpreting this clause, Mr. Chairman, that the discussions that Mr. Kelly had with the various operating agencies, that that was the sort of rule that we sought to be guided by in the various programs—that whatever reserves were being put aside would be those that we felt would give the least amount of gain to the national interest.

Mr. FOGARTY. I can think of 50 things right now, without going into the justifications—especially in research—where additional funds would result in “substantial returns to the national interest.” I think that the matter of these reserves is going to be a very difficult one for you to justify.

We have medical scientists, medical schools, and other scientific organizations with real good programs that have been scientifically approved by the advisory committees and are not going to be funded in 1962 because of these reserves. I hope that you will try to prevail upon the President to take another look at this and to release these funds which he or you, or the Bureau of the Budget—from the hearing so far its a little fuzzy just who is to blame—has put into reserve.

OFFICE OF EDUCATION

The thing that bothers me also, Mr. Secretary, is that you know many of these programs are controversial. For instance the Office of Education has often been the whipping boy for Congress because many people honestly believe that we shouldn't be in the field of education; and with the people who honestly believe that, I have no quarrel at all. I respect their judgment, but I don't agree with them. This committee 7 or 8 years ago, when Dr. Brownell was Commissioner of Education, wrote into the report an invitation for them to come up with a really good program the next year and we gave them some more money to start building up the Office of Education. In the preceding 6 or 7 years, when Congress wanted to show cuts in the overall budget, they would always cut the Office of Education and there were very few to speak for them on the House floor. They were being whittled down.

So for the past 5 or 6 years we have been able to build this Office up a little. To be very frank with you, we had a real difficult time last year in getting what we were able to get in the budget for the Office of Education, but when it was all over we came out with a pretty good bill last year for the Office of Education.

Now we find that some of these funds are put in reserve. We may never be able to get back to the position we were in, because of this action, because of the controversial aspects of the Office of Education. That is how I look at it. We had a real struggle in getting these programs to where they were last year; and to have reserves applied against the Office will just be used as another excuse by the opponents to cut it in the future. These reserves make it look like we appropriated more for 1962 than the Office needed, so why appropriate increases in 1963?

FOOD AND DRUG ADMINISTRATION

The Food and Drug Administration is another. We have had problems in this committee and have in the past arbitrarily cut \$300,000 or \$400,000 out of the Food and Drug Administration because someone didn't like the way they were enforcing the law in some district. It happened in the Senate just last year. We were able to restore all the cut made in the Senate with the exception of \$500,000.

This is another controversial agency. I happen to be a great supporter of the Food and Drug Administration. I think when they make a decision they ought to stick by it. If it is scientifically right and they have reached this judgment, I don't think they ought to give in. I wouldn't ask them to change their decision respecting anything in my district because I have confidence in their judgment.

This is another area where we may not recover.

If we are not able to regain the ground lost because of reserves in these more controversial areas, the people who are responsible for these cutbacks will have to take the responsibility for the permanent loss.

Do you follow me?

Secretary RIBICOFF. Yes, I do. Mr. Chairman, I appreciate your position. I have the highest respect for you and this committee.

I don't believe—and I understand this better since I have been in this position—that any group in the Congress of the United States or this country has been more responsible for the forward advances in these fields covered by HEW than this committee and its chairman.

I think there is a debt of gratitude owed to each and every man here for the position the United States is in in these most important fields which affect every man, woman, and child in the United States. Your understanding and leadership has meant much, and I know it will in the future.

I would say this. I understand your position about these reserves and these cuts. I do want to point out to you, however, that in the budget that has been sent up here by the President covering the Departments, it is my feeling that he has treated this Department very well, and the groups and the agencies and the programs involved.

I think the total increases are substantial and allow for what should be done in this entire field.

Before closing, let me express my appreciation to you and other members of the committee for the courtesy you have shown, not only to myself but to Mr. Cohen and Mr. Kelly.

We will be available at any time as the hearings progress. Any documents or papers or information that you might want or require, we will make available as soon as we can get them together.

Again I would like to express my appreciation to every one of you.

ASSESSMENT OF THE BUDGET ESTIMATES

Mr. FOGARTY. In general, I think the budget estimates are better than usual. The thing that really hit me right off when I read this a couple of weeks ago was that you show a reduction in heart and cancer. This reduction, if I remember, was made by the Bureau of the Budget.

Cancer seems to me to be the most dramatic and heart-rending of the medical problems we have to deal with—more so than mental health, although mental health is certainly a problem. Heart disease kills more people than all others put together.

In those two areas—just being practical about the feelings of the Congress and the people of the country—I thought surely we would have some increases.

Mr. KELLY. There is an increase, Mr. Chairman, over the 1962 level of operations.

Mr. FOGARTY. For some reason or other your Department doesn't fare too well with the Bureau of the Budget.

We will try to do the best we can, and I hope you don't get too upset, Mr. Secretary, if we increase your budget by a substantial amount.

There may be attempts to cut this budget on the floor. If there are attempts made to cut it, will you stand by this budget?

Secretary RIBICOFF. Yes, I am willing to stand by this budget.

Mr. FOGARTY. If any attempts are made to cut it, what is the answer for me in a general way?

Secretary RIBICOFF. I would say I think your answer may be part of the answer that you may not like—that we have gone over this very carefully. The fact that cuts were made last year indicates how we scrutinize this budget.

We have gone over this in a most careful manner, and we believe every item there is justified in the national interest.

In order to have these programs move forward for the benefit of all the people of this country, the Congress should stay with this budget. I would certainly be willing to defend every item in this budget with a memorandum or statement, Mr. Chairman.

Mr. FOGARTY. Thank you very much, Mr. Secretary.

Secretary RIBICOFF. Thank you.

Mr. FOGARTY. There are several statements, that we have asked the Department to furnish, setting forth activities in programs of particular interest to the committee. For easy reference we will put them all in the record in one place.

MENTAL RETARDATION

First is a program that was initiated at the insistence of this committee and one that we have been pushing for several years now. That is the program to combat mental retardation.

(The statement follows:)

MENTAL RETARDATION ACTIVITIES OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, AND THE WORK OF THE PRESIDENT'S PANEL ON MENTAL RETARDATION

INTRODUCTION AND SUMMARY

Magnitude of the mental retardation problem

Mental retardation can be defined as a condition resulting from a basic abnormality of the human mind. It refers to the lack of intellectual ability resulting from arrested mental development. It interferes with the ability to adjust to the demands of environment and manifests itself in poor learning, inadequate social adjustment, and delayed achievement. While mental illness strikes and incapacitates after there has been normal development up to the time of the affliction, mental retardation, on the other hand, is usually present at birth or begins during childhood. Mental retardation is not a disease, but rather a symptom of a disease, of an injury, or of some obscure failure of development.

In spite of the great progress in combating mental retardation in the past 5 years this condition is still one of the Nation's most serious health, education, and welfare problems.

Due to the increased birth rate, a decrease in infant deaths, and a longer lifespan resulting from medical advances, the total number of persons who are mentally retarded is growing. Of the approximately 4,200,000 children born annually in the United States, it has been estimated that 3 percent (126,000) will not achieve the intellect of a 12-year-old. Today approximately 5 million persons in this country are mentally retarded, and by 1970 the total is expected to exceed 6 million, at least half of whom will be children under 9.

Today between 1¼ million and 1½ million school-age children and youth have mental retardation to the degree that they require special education. Mental retardation disables 10 times as many as diabetes, 20 times as many as tuberculosis, 25 times as many as muscular dystrophy, and 600 times as many as infantile paralysis.

There are no reliable estimates of the cost to families for the care of the mentally retarded, but community costs of the 4 percent confined to institutions total approximately \$300 million annually. The financial strain of providing for the other 96 percent not in institutions represents a staggering burden to individual families and to taxpayers. A study made in 1951 of the characteristics of recipients under the Federal-State public assistance program of aid to the permanently and totally disabled showed that mental deficiency was the major cause of disability for persons under 35 receiving APTD assistance. The Bureau of Old-Age and Survivors' Insurance estimates that about \$50 million in benefit payments will be made in fiscal year 1962 to mentally retarded adults eligible for social security disability benefits. The national significance of mental retardation is indicated by the fact that over 700,000 draftees were rejected as unfit during World War II because they were mentally deficient or illiterate.

The state of mental retardation programs in the recent past

Less than a decade ago, mental retardation was not recognized as a problem requiring special, concentrated effort on a nationwide basis, even though it involved some 5 million persons in our population and was costing the Nation approximately \$300 million annually alone for care in State institutions of about 4 percent of the total number of mentally retarded persons. The problem was of deep concern to those who had responsibility for the day-to-day care of the mentally retarded—first and foremost to their distracted parents and relatives, but also to teachers, institutional staff, social workers, and the few specialists in this field. But the Federal Government, as the arm of government representing all of the people, had taken little cognizance of the special needs of the mentally retarded nor of the great need for more research relating to mental retardation.

Prior to 1954 no State health department offered special health services for mentally retarded children and their families. In 1956 there were only four special State programs for the mentally retarded as a part of the maternal and child health service programs. Although child welfare agencies accepted responsibility for the welfare of the mentally retarded child, services were directed largely to long-term institutional care.

A decade ago few could foresee the possibilities for combating mental retardation through biological and medical research. During hearings before the House Committee on Appropriations on the 1956 budget request of the National Institute of Mental Health witnesses testified that \$155,000 a year was being spent on research in the field of mental retardation by the Institute, and that one scientist at the NIH campus in the NIMH was working on the problem. A September 1956 listing of current funds of the National Institute of Neurological Diseases and Blindness supporting extramural research projects related to mental retardation totaled approximately \$370,000.

During fiscal year 1955, 531 mentally retarded individuals were rehabilitated into gainful employment by State vocational rehabilitation agencies.

Prior to fiscal year 1957, no Federal funds had been appropriated for a specific research program in the field of education of the mentally retarded. Prior to fiscal year 1960 the Federal Government did nothing to promote the training of teachers of mentally retarded children.

Highlights of progress in mental retardation

Today the problem of mental retardation is receiving attention from the highest levels of the Federal Government. In October 1961 President Kennedy appointed a Panel composed of distinguished scientists, educators, physicians, lawyers, sociologists and others to organize and chart a national program to conquer this disability. This Panel, headed by Dr. Leonard W. Mayo, executive director of the Association for the Aid of Crippled Children, was requested to report to the President on or before December 31, 1962. The work of the Panel is well underway and is briefly described in a special section to follow. The Chairman of the Panel has asked its members to apply bold and creative thinking to such areas as the development of new methods of care and treatment, new directions for research, and new patterns of community organization to furnish needed services to the mentally retarded.

The concern of parents' groups, the National Association for Retarded Children, and other organizations about the mental retardation problem has met with a strong and favorable response from the Congress and from the executive branch, particularly from the Department of Health, Education, and Welfare where the Federal Government's operational programs on mental retardation are centered. The fiscal year 1963 budget of the President requests \$28.3 million for programs of the Department of Health, Education, and Welfare dealing with the problem of mental retardation. This represents an increase of \$4.3 million over the estimated level of funds available for this purpose for fiscal year 1962 and more than doubles the \$12.4 million spent by the Department 5 years ago.

In the field of education the Office of Education now administers a program to improve the professional preparation of educators in the field of mental retardation and to multiply the number of teachers trained to work with retarded children. This program has been supported at the maximum authorized level of \$1 million since its inception in fiscal year 1960. Altogether, about 500 fellowships have been used or allocated under this program since it began in fiscal year 1960 in order to expand teaching in education of the mentally retarded. This program is also making possible the training of persons to become supervisors of educational programs for mentally retarded children in State and local

school systems. The number of States having such supervisors is steadily increasing.

In addition, the Office of Education conducts two research programs both of which have significance in the battle against mental retardation: (1) The cooperative research program, first inaugurated in fiscal year 1957, and (2) the educational media research program (title VII of the National Defense Education Act). Since the inception of the cooperative research program, 75 projects concerned with educational problems of the mentally retarded have been initiated. This program has produced evidence that some of the children who have traditionally been labeled as mentally retarded, in reality, may merely be the products of family environments in which there is no stimulation for young minds. Research under this program has indicated that many classified as mentally retarded can be taught to read at an early age.

Under the provisions of title VII of the National Defense Education Act funds have been granted to nonprofit institutions for the support of research and experimentation in the educational uses of newer media of communication. Some of these funds have been allocated for support of projects directly concerned with the mentally retarded. One such project is designed to determine what kinds of instructional film experiences are meaningful to mentally retarded children.

The focus of the mental retardation program of the Office of Vocational Rehabilitation is to rehabilitate mentally retarded persons to the point where they can obtain and hold a job. The Office of Vocational Rehabilitation estimates that the fiscal year 1963 budget requests will make possible the rehabilitation of 5,400 mentally retarded persons by State vocational rehabilitation agencies participating in the Federal-State program of vocational rehabilitation. Five years ago only about 40 percent of this number of mentally retarded persons was rehabilitated into gainful employment. A total of 16 extension and improvement projects concerned with the mentally retarded were supported in 1961 under section 3 of the Vocational Rehabilitation Act. These projects have made substantial contributions toward increasing the number of mentally retarded rehabilitated.

Research and demonstrations in rehabilitation of the mentally retarded have been supported at a level of about \$1 million for the last 3 years. A total of 54 projects has been approved to date. These projects show wide variations in areas studied and range from studies of employer attitudes to ascertainment of the results of special kinds of training. The 1963 budget proposes establishment of a comprehensive community demonstration project to bring together some of the more significant findings whose effectiveness has been revealed by individual projects supported in the past. The Office of Vocational Rehabilitation is also supporting long-term training programs to increase the supply of professional personnel engaged in the rehabilitation of the mentally retarded and is supporting short-term training programs to increase the technical proficiency of existing rehabilitation personnel.

Public Health Service programs for the mentally retarded are primarily concentrated in the National Institute of Mental Health and the National Institute of Neurology and Blindness. The research and research training programs of these Institutes have made possible a continually mounting attack on the causes of mental retardation and significant advances in the treatment and prevention of mental retardation.

Phenylketonuria and galactosemia, congenital thyroid deficiency and Rh blood incompatibility have been identified as crippers of children's minds and today can be successfully treated. In the forefront of the research attack on mental retardation is the long-term collaborative project on cerebral palsy, mental retardation, and other neurological and sensory disorders of infancy and childhood. One of the primary goals of this project is to identify those biological and medical factors present between conception and birth which may be associated with mental retardation. Under the program of mental health project grants, intense activity has laid the groundwork for large-scale demonstration programs for the control of phenylketonuria.

The President's fiscal year 1963 budget for the National Institute of Neurological Diseases and Blindness will provide about \$13 million for research in mental retardation and related neurological and sensory disorders of infancy and childhood; this is about \$2 million more than the 1962 level and more than double the level 5 years ago. For the mental retardation programs of the National Institute of Mental Health, the President's 1963 budget requests

approximately \$6.5 million; this is more than \$1 million above the 1962 level and about triple the level 5 years ago.

Three bureaus of the Social Security Administration have made contributions to the fight against mental retardation: The Children's Bureau, the Bureau of Family Services (formerly Bureau of Public Assistance), and the Bureau of Old-Age and Survivors Insurance.

Through the Federal-State maternal and child health program, the Children's Bureau provides technical assistance and financial support to State health departments for the development of clinical programs for mentally retarded children; 49 States and 3 other jurisdictions have initiated special program activities for the mentally retarded as part of their maternal and child health programs. Of the Nation's 82 special clinics for retarded children, 50 have been developed through this program. State health departments have made use of grants from the Children's Bureau to establish demonstration projects centering on child health supervision and problems in the growth and development of children who are retarded or suspected of being retarded. These projects not only provide services to children, but also contribute to the teaching and training of medical students, interns, residents, and nurses. Today over 25,000 public health nurses have received some training in problems of mental retardation. Students, residents, and interns in 14 medical schools have become familiar with mental retardation through demonstration projects set up in conjunction with these medical schools.

Improvement in child welfare services to mentally retarded children has taken place as a result of efforts through the Federal-State child welfare services program. Federal funds are being used to pay for foster family care, purchase of diagnostic services, remedial tutoring, and special medical and nursing care for mentally retarded children under the care of welfare agencies. In approximately half of the States, preliminary steps have been taken to develop comprehensive, statewide programs for retarded children. The child welfare services program has also made important contributions to the training of social workers to provide special services such as day care and parent counseling to families of mentally retarded children.

The Bureau of Family Services assists States through issuance of materials and consultation to develop special services designed to help those receiving public assistance to deal constructively with the needs of mentally retarded members of the family. The Bureau, in cooperation with the Children's Bureau, has also taken steps to encourage effective coordination by communities in the use of child welfare and public assistance staffs in the provision of services to families and children with special problems such as mental retardation. Information is not available on the number of mentally retarded persons receiving public assistance under the programs of aid to dependent children and aid to the permanently and totally disabled, but the number is believed to be of significant proportions.

The social security program administered by the Bureau of Old-Age and Survivors Insurance contributes to the maintenance of the mentally retarded through the payment of monthly benefits to those eligible for such benefits. A significant percentage of the adult population receiving disability benefits is disabled as a result of mental retardation. In addition, childhood disability benefits are also paid to severely retarded persons when a parent, insured under the program, upon whom they were dependent died, or when such a parent is living and receiving old-age benefits.

In view of the varied and expanding mental retardation activities of the Department of Health, Education, and Welfare, the Assistant Secretary for Legislation reestablished in December 1961 the departmental committee on mental retardation. Such a committee had functioned from 1955 to 1959. The purposes of the committee are: (1) to assist in securing the coordination of departmental activities and objectives in the field of mental retardation; (2) to serve as a point of contact between the President's Panel on Mental Retardation and the Department's programs and activities in this field; and (3) to provide a channel for providing data to the President's Panel from the operating agencies and staff offices of the Department.

Federal funds for mental retardation

The following table shows the funds obligated by the Department of Health, Education, and Welfare for its mental retardation programs from fiscal year 1959 through fiscal year 1961 and estimated obligations for fiscal years 1962 and 1963:

Obligations for programs on mental retardation, fiscal year 1959-63

Agency and appropriation	Fiscal year				
	1959	1960	1961	1962 estimate	1963 President's budget
Office of Education:					
Defense educational activities (new educational media research)-----	\$9,000	\$48,224	\$62,875	\$80,924	\$50,000
Expansion of teaching in education of the mentally retarded-----		985,221	993,433	1,000,000	1,000,000
Cooperative research-----	971,722	651,600	346,121	300,000	1,560,000
Salaries and expenses (administration of grant program, expansion of teaching, etc.)-----		43,000	50,000	49,500	61,250
Subtotal, Office of Education-----	980,722	1,728,045	1,452,429	1,430,424	1,671,250
Office of Vocational Rehabilitation:					
Grants to States:					
Basic support program-----	1,000,000	1,633,000	2,055,000	2,771,000	3,486,000
Extension and Improvement-----	225,000	165,108	211,287	200,000	200,000
Research and training:					
Research and demonstration projects-----	530,245	911,800	993,290	1,012,000	1,200,000
Training and traineeships-----	14,600	32,456	77,886	90,000	135,000
Subtotal, Office of Vocational Rehabilitation-----	1,769,845	2,742,364	3,337,463	4,073,000	5,021,000
Public Health Service:					
Mental health activities-----	2,356,000	2,676,000	3,644,000	5,290,000	6,490,000
Neurology and blindness activities-----	5,938,000	8,231,089	10,873,850	11,560,000	13,347,000
Subtotal, Public Health Service-----	8,294,000	10,907,089	14,517,850	13,850,000	19,837,000
Social Security Administration: ²					
Bureau of Old-Age and Survivors Insurance:					
Estimated benefit payments from trust funds-----	(19,300,000)	(29,300,000)	(39,300,000)	(49,700,000)	(61,300,000)
Trust fund obligations incurred to adjudicate claims of beneficiaries-----	(1,600,000)	(1,900,000)	(1,400,000)	(1,800,000)	(1,800,000)
Salaries and expenses, Bureau of Family Services-----	9,500	10,000	15,000	20,000	20,000
Children's Bureau:					
Grants to States for maternal and child welfare-----	1,300,000	1,300,000	1,434,300	1,573,700	1,625,000
Salaries and expenses, Children's Bureau-----	76,900	97,800	92,000	96,300	100,000
Subtotal, Social Security Administration-----	1,386,400	1,407,800	1,541,300	1,690,000	1,745,000
President's Panel on Mental Retardation-----				³ (150,000)	³ (150,000)
Grand total (general funds)-----	12,430,967	16,785,298	20,849,042	24,043,424	28,274,250
Grand total (trust funds)-----	(20,900,000)	(31,200,000)	(40,700,000)	(51,500,000)	(63,100,000)

¹ Includes funds for "full funding," i.e., subsequent year costs of new projects.² Information is not available on the costs due to mentally retarded people who are receiving public assistance, because data secured does not single out this one cause as a factor of disability or dependency. However, it is known that mental retardation is a major cause of disability for those receiving aid to the permanently and totally disabled under the Federal-State public assistance program.³ These amounts are shown as nonadd items since they are to be derived by transfer from funds available to the National Institutes of Health for mental retardation activities.

There follows a more detailed description of the mission and activities of the President's Panel on Mental Retardation and of each of the programs of the Office of Education, Office of Vocational Rehabilitation, Public Health Service, and Social Security Administration concerned with mental retardation.

The task of the panel

In October 1961, President Kennedy called together a panel of outstanding physicians, scientists, educators, lawyers, psychologists, social scientists, and other leaders in the field of mental retardation. The President charged this group to develop a national plan in mental retardation and to prescribe a program of dynamic action to carry out this plan.

The Panel's responsibilities include the following: (1) Exploration of the possibilities and pathways to prevent and cure mental retardation; (2) broad study of the scope and dimensions of the various factors that are relevant to mental retardation, including the biological, psychological, educational, vocational, and sociocultural aspects of the conditions; and (3) appraisal of the adequacy of existing programs and the possibilities for greater utilization of current knowledge.

The Panel will review and make recommendations with regard to: (1) The personnel necessary to develop and apply the new knowledge; (2) the major areas of concern that offer the most hope and the means, the techniques and the private and governmental structures necessary to encourage research in these areas; (3) the present programs of treatment, education, and rehabilitation; and (4) the relationships between the Federal Government, the States, and private resources in their common efforts to combat mental retardation.

President Kennedy has requested the Panel to report to him on or before December 31, 1962.

Members of the Panel

The President has appointed the following persons to serve as members of the Panel on Mental Retardation:

Chairman: Dr. Leonard Mayo, executive director of the Association for the Aid of Crippled Children, of New York City.

Vice Chairman: Dr. George Tarjan, superintendent and medical director of the Pacific State Hospital in Pomona, Calif.

Members:

Judge David L. Bazelon, U.S. Court of Appeals for the District of Columbia, Washington, D.C.

Msgr. Elmer H. Behrmann, associate secretary for special education in the National Catholic Education Association, St. Louis, Mo.

Dr. Elizabeth Boggs, research chairman, National Association for Retarded Children, Inc., New York, N.Y.

Dr. Robert E. Cooke, professor of pediatrics, the Johns Hopkins Hospital, Baltimore, Md.

Dr. Leonard S. Cottrell, Jr., staff social psychologist, Russell Sage Foundation, New York, N.Y.

Dr. Edward Davens, deputy commissioner, Maryland State Department of Public Health, Baltimore, Md.

Dr. Lloyd M. Dumn, coordinator, education for exceptional children, George Peabody College for Teachers, Nashville, Tenn.

Dr. Louis M. Hellman, Department of Obstetrics and Gynecology, State University of New York, New York City College of Medicine, Brooklyn, N.Y.

Dr. Herman E. Hilleboe, commissioner of health, New York State Department of Health, Albany, N.Y.

Dr. Nicholas Hobbs, chairman, Division of Human Development, George Peabody College for Teachers, Nashville, Tenn.

Dr. William Hurder, associate director for mental health, Southern Regional Education Board, Atlanta, Ga.

Dr. Seymour Kety, psychiatrist in chief, Henry Phipps Psychiatric Clinic, the John Hopkins Hospital, Baltimore, Md.

Dr. Joshua Lederberg, Department of Genetics, Stanford University School of Medicine, Palo Alto, Calif.

Dr. Reginald Lourie, director, Department of Psychiatry, Children's Hospital, Washington, D.C.

Dr. Oliver H. Lowry, professor of pharmacology, Washington University School of Medicine, St. Louis, Mo.

Dr. Horace W. Magoun, Department of Anatomy, University of California School of Medicine, Los Angeles, Calif.

Dr. Darrel J. Mase, dean, College of Health Related Services, University of Florida, Gainesville, Fla.

Mr. F. Ray Power, director of Division of Vocational Rehabilitation, Charleston, W. Va.

Dr. Anne M. Ritter, director of psychological services, Kennedy Child Study Center, New York, N.Y.

Dr. Wendell Stanley, professor of virology, University of California, Berkeley, Calif.

Dr. Harold Stevenson, director, child development research, University of Minnesota, Minneapolis, Minn.

Mr. W. Wallace Tudor, vice president, Sears, Roebuck & Co., Chicago, Ill.

Mr. Henry Viscardi, Jr., president, Abilities, Inc., Albertson, Long Island, N.Y.

Mrs. Irene Asbury Wright, speech pathologist, Albany, Ga.

Dr. Ernest P. Willenberg, director of special education, Los Angeles City Board of Education, Los Angeles, Calif.

Consultant to the panel: Mrs. Robert Sargent Shriver, Jr., vice president, Joseph P. Kennedy Foundation, member, Chicago Commission on Youth Welfare and Board of Governors of the Menninger Foundation, Topeka, Kans.

Financing the panel

The President's panel will be supported during fiscal years 1962 and 1963 by transfer of funds available to the National Institute of Mental Health and the National Institute of Neurological Diseases and Blindness. The estimates for these fund transfers are as follows:

	Fiscal year 1962 estimate	Fiscal year 1963 estimate
Transfer from:		
National Institute of Mental Health.....	\$65,000	\$65,000
National Institute of Neurological Diseases and Blindness.....	85,000	85,000
Total.....	150,000	150,000

Organization and operation of the Panel

On the basis of suggestions made by members of the Panel during its first meeting in October 1961, the Panel members were divided into two major but temporary groups, one dealing with research and the other with services. These groups delivered extensive reports at the second plenary session of the Panel in December 1961. On the basis of these reports, which outlined fundamental issues, goals, and problems in mental retardation and which recommended methods by which the Panel might best fulfill its mission, the Panel was divided into six task forces:

I. Prevention (clinical and institutional).

II. Education and habilitation.

III. Law and public awareness.

IV. Biological research.

V. Behavioral and social research.

VI. Coordination.

The first five task force chairmen will submit reports at the third plenary session of the Panel at the end of March 1962, following which the task force on coordination will develop a final report to be delivered to the President.

The Panel has emphasized its concern with new ideas and new theories for combating mental retardation. Its goal is not merely to make recommendations concerning the encouragement and coordination of existing efforts, but to recommend new methods of care and treatment, new directions for research, and new patterns of community organization to deal with the problem of mental retardation.

The Panel has also agreed that exchange of ideas and personnel with other countries would serve a number of important purposes in furtherance of the Panel's objectives. Exploration of the resources, patterns of service, and research in other countries will directly benefit the United States in devising means to wage war against mental retardation. At the invitation of President Kennedy, Dr. Osamu Kan, a leading Japanese authority in the field of mental

retardation, visited the United States in December to participate in the work of the President's Panel.

MENTAL RETARDATION PROGRAM OF THE OFFICE OF EDUCATION

The interest of the Congress and the executive branch in developing—at the Federal level—a balanced approach to the problems of mental retardation has brought into sharp focus the importance of special education in an adequate overall program for the mentally retarded and the need for extending and improving special education programs in the schools of the Nation.

The first major contribution of the Office of Education in the area of the mentally retarded dates back to fiscal year 1956 when this subcommittee first requested the Office of Education to make a report on the educational needs of mentally retarded children and youth. During that same fiscal year a full-time specialist in the education of the mentally retarded was added to the section on exceptional children and youth. Since that time the program for the mentally retarded in the Office of Education has been expanded considerably.

Within the last 10 to 12 years there has been a marked increase in the enrollments of pupils in special education facilities. The number of mentally retarded children and youth participating in public school special education programs was less than 100,000 in fiscal year 1948. It is probable that the enrollment was 275,000 in fiscal year 1960. Perhaps even more significant is the marked increase in the number of school systems offering special educational opportunities for their mentally retarded pupils. The number of school systems has quadrupled in the last 12 years. This, and other trend developments, are reflected in the recent publication, "Exceptional Children and Youth: A Chart Book of Special Education Enrollments in Public Day Schools of the United States," issued by the Section on Exceptional Children and Youth.

In moving ahead toward the goal of assisting all mentally retarded children, the Office of Education is making major efforts toward the development of (1) more and better qualified special educators; and (2) more knowledge about the education of the mentally retarded, and the dissemination and application of this knowledge.

Professional preparation of special educators

Although progress has been made in meeting the shortage of qualified educators in the field of the mentally retarded, this shortage still remains the major deterrent to the development of new programs and the strengthening of existing programs. It appears that at least 50,000 additional special class teachers of the mentally retarded will be needed if these children and youth are to have access to a suitable educational program. The most significant contribution, thus far, toward partially relieving this problem was the enactment of Public Law 85-926, to encourage expansion of teaching in the education of mentally retarded children through grants to institutions of higher learning and to State educational agencies. This law has been implemented by \$1 million, the maximum amount authorized, for each of the fiscal years 1960, 1961, and 1962.

During the present academic year 1961-62, about 150 fellows, representing all but four of the States, are studying in colleges and universities under the provisions of Public Law 85-926. Altogether about 500 fellowships have been used or allocated during the 3 fiscal years. Thus far, the fellowship program has been used entirely for the training of promising persons who will occupy leadership positions to (1) conduct programs in the training of teachers of mentally retarded (sec. 1 of the act); or (2) direct or supervise programs for retarded children in State educational agencies or local schools or local school systems (sec. 2 of the act).

Obviously, the full impact of this program has not yet been felt, but it is already contributing to the needed supply of special educators and, perhaps even more significantly, to the need for improving the quality of special education in the area of mental retardation. A number of graduates have assumed positions of responsibility in this area. It is also known that a number of new positions are being created in anticipation of the availability of well-qualified fellows.

As a result of Public Law 85-926, the graduate programs in the education of the mentally retarded of most of the 21 colleges now participating under the fellowship provisions of section 1 of the law have been strengthened by the addition of staff who devote full time to this field. Another discernible beneficial effect of this law is the nationwide interest in delineating more precisely

the nature of college and university programs for special educators in the field of the mentally retarded and in improving the curriculums at all levels.

The State educational agencies participating under section 2 of the law have been favorably influenced by the program. It has offered them a means to improve the quality of professional personnel through the recruitment (in their own States) of promising candidates who otherwise could not have financed the cost of graduate study necessary to prepare them for important leadership positions. The number of States having supervisors in the education of the mentally retarded is increasing and it is inevitable that many of the fellows will be drawn into these leadership positions.

Since there are regions in the Nation where opportunities do not exist for individuals to study at the doctoral level under the program authorized by section 1 of Public Law 85-926, small stimulation grants were made to four colleges for the 1961-62 academic year for the purpose of partially reducing the geographic inequity existing in the location of graduate programs in the field of the education of mentally retarded.

Acquisition and dissemination of new knowledge

The Office of Education program in factfinding, research, and dissemination of information in the education of the mentally retarded has been expanded within recent years. In 1961, the Office published several statistical reports which throw light on the aspects of the program. One has already been mentioned. Another is "Special Education Enrollments in Local Public Schools: A Directory." The Office has also published a bulletin entitled, "Education of the Severely Retarded" in which there is an extensive review of the literature bearing on this problem. A number of other multiarea studies, which include the field of mental retardation, are presently underway. Examples of these studies are "State Certification Requirements for Teachers of Exceptional Children" and "College and University Programs for the Professional Preparation of Teachers of Exceptional Children."

The Office has also increased its efforts in cooperation with other groups to identify critical needs and to encourage investigators to undertake research which would throw new light on mental retardation. The Office staff is also increasing its emphasis on activities which will result in the application of research findings.

In addition to the foregoing work, there are two other resources in the Office of Education which have specific research functions in this field: One is the cooperative research program authorized under Public Law 531, 83d Congress, and the other is Title VII—Educational Media Research of the National Defense Education Act.

Cooperative research program

During the fiscal year 1962, four research projects significant to the education of the mentally retarded were initiated. In addition, a national seminar was held for the purpose of determining the status of research in the field of the mentally retarded and stimulating further research effort. Outstanding scholars who have contributed significantly to research in the education of mentally retarded met for a period of 15 days. They proposed and developed major research designs in order to foster and stimulate more significant research. The results of their work may be obtained from libraries in many States.

Of the four research projects initiated in fiscal year 1962, one is a demonstration project which has as its major purpose the field testing of research findings in a natural school setting. The demonstration project underway is based upon previous research of Dr. O. K. Moore of Yale University who had found that pre-first-grade normal children can learn basic intellectual and interactional skills, e.g., to type, to print, to read, to take dictation, and to objectify their interactional experiences in the form of a dialogue prior to first grade. On the basis of these findings, Dr. Burton Blatt of Boston University is demonstrating the effects of placing familial retardates (those who do not have central nervous disorders) in a similar environment and using similar teaching techniques as were used by Dr. Moore with normal children. This approach is based on the notion that the learning of retarded youngsters may approach a normal level if they have an opportunity to learn under conditions which are not threatening.

A basic research project was initiated with Dr. Kai Jenson of the University of Wisconsin. This project is concerned with a study of factors influencing learning and problem solving behavior in the mentally retarded. It is hoped that out of this research may come principles, techniques, and procedures making for more effective learning and problem solving in the mentally retarded.

Another research project recently initiated is being conducted by Dr. Leslie F. Malpass and his associates of the University of South Florida. The major purpose of this study is to evaluate the usefulness of two automated teaching procedures (teaching machines) for mentally retarded children. Both automated procedures will be compared with a standardized classroom instructional procedure in spelling and reading. The experimental procedures offer specific promise for teaching spelling and reading to retarded children who need such skills for minimally adequate self-maintenance in current society but who, too frequently, even in special education programs, do not gain such basic skills.

The social adjustment of mentally retarded children and its bearing on how these children learn in special and in regular classes is the problem under investigation in another research project currently underway. This study is being directed by Drs. John de Jung and Norris G. Haring of the University of Kansas.

Other research activities have been supported prior to fiscal year 1962 through the cooperative research program authorized under Public Law 83-531. Through this program, experimental research studies relevant to the education of the mentally retarded were greatly increased. While research studies were being conducted in a number of places prior to 1957, most investigators were hampered by a lack of resources.

The initial appropriation of \$1 million in 1957 was made available with the request that approximately two-thirds be used to support research pertaining to problems in the education of the mentally retarded. Total Federal support for all projects under the cooperative research program is \$22 million, through fiscal year 1962. About 20 percent, or somewhat over \$4 million is for research on problems in this field.

The 459 projects recommended to the Commissioner for approval by the Cooperative Research Advisory Committee included 75 or approximately 16.5 percent concerned with educational problems of the mentally retarded. The 75 projects can be categorized into 8 general problem areas. The area, number of projects, and a brief description of a representative problem that is or has been investigated in each follows:

Cognitive processes, six projects: An example of a type of problem in this area is one in which the investigators are studying how mentally retarded children differ from normal and gifted in their perception of form and meaning.

Communication, nine projects: One typical project has shown that for mentally retarded children the best language channel for learning is listening. This is especially true in the primary grades.

Counseling and guidance, four projects: Study is being directed toward an assessment of the attitudes of parents in order to determine what personality variables affect their attitudes, and what effect periodic counseling would have on those attitudes.

Education and training, 30 projects: A 4-year longitudinal study, still being carried on, is making comparisons of the mentally retarded children's mental, educational, and social development as a result of being in special or regular classes.

Identification and survey, three projects: A research project in this area reports on the number of mentally retarded children in one State and how other States might use the techniques that were devised for surveying the identifying mentally retarded children on a statewide basis.

Learning, 13 projects: The finding that mentally retarded children, as compared to normal children, have more fears and worries and the impact this has on motivation and performance on learning tasks is typical of the type of research projects in this area.

Measuring instruments, five projects: A research project in this area has resulted in a new test for measuring the hearing vocabulary and verbal intelligence of mentally retarded children from as young as 22 months to 18 years.

Miscellaneous, five projects: One project within this area is concerned with research design and methodology problems that must be accounted for in researching problems of educational significance in the whole field of mental retardation.

Approximately two-thirds of the 75 research projects are completed at the present time. The seven following examples illustrate research findings and possible implications for the whole field of education of the mentally retarded.

1. Most standardized tests are difficult to use with severely (trainable) mentally retarded children because they are usually heavily penalized by verbal,

motor, sensory, and experimental handicaps. Therefore, the resulting low IQ's are not too meaningful. It appears that the ideal test to employ in the study of mental deficiency would be one which investigates the ability to learn. Researchers at New York University have designed a test which evaluates the child in learning abilities. Results of this type of test can be used as a basis for evaluating the educability in severely retarded children.

2. Up to the present time no one has reliably demonstrated that educable mentally retarded children placed in special classes when they start to school develop mentally, academically, and socially at a more advanced rate than they might have had they continued in the regular grades. Past research has been fraught with faulty design involving such problems as biased groups used for comparisons, small numbers of children studied, inadequate measures on the children and untrained teachers. The preliminary report of a 4-year study undertaken at the University of Illinois, one that has overcome these problems of research design, shows that the educable mentally retarded who have been in special classes for only 2 years are far ahead in social adjustment and considerably ahead academically as compared with their equals in regular classes. The impact the findings of this study may have on the total field of education in providing special classes may be one of the greatest breakthroughs in the area of the mentally retarded.

3. In developing educational programs for mentally retarded children great emphasis has been placed on motor tasks and rote memorization and little attention has been given to more complex mental processes such as the discovery of a principle. Available evidence appears to indicate that such an emphasis has oversimplified the abilities and limitations of mentally retarded children. An investigation at Syracuse University concludes that the rate of learning of mentally handicapped children in three types of direct learning performance—sensorimotor learning, rote learning, and the discovery of a principle—does not differ significantly from that of intellectually normal subjects with similar mental ages. It would appear that we are unnecessarily placing restrictions on the learning potential of the mentally retarded child by not taking advantage of the abilities he does possess in abstract reasoning and over-emphasizing the abilities we assume he possesses in, for example, motor development.

4. Many individuals have assumed in the past that mentally retarded children do not have fears and become upset with failures and therefore have no worries. For example: "All he does is wash dishes, or dig ditches, or carry garbage, etc.: he doesn't have any real worries." Studies of Southern Illinois University have revealed that this concept about the mentally retarded is not true. It was found that the manifest anxieties (worries and fears) of mentally retarded children both in institutions and in special classes when compared with normal children are significantly higher. Recognition of the impact that worry and fear have on learning effectiveness in the classroom may well tend to foster a change in attitude toward the mentally retarded child by many teachers and in turn result in a higher level of accomplishment by the mentally retarded child.

5. The old adage that an individual who is not good at book learning is the one who is good with his hands has been refuted by researchers at the University of Wisconsin. They found that the motor retardation of the educable retarded child is greater than had been previously supposed. Their motor abilities are organized in much the same way as normal children and their development of these abilities is similar in growth pattern to normal children but at a lower level. These factors suggest that educable mentally retarded children profit by the same kind of motor experiences as normal children although much more patience will be required in setting the stage for learning. The most important implication of this study is that a well-planned program of physical education should assume an important place in the educational programs of the mentally retarded.

6. In teaching the mentally retarded, the question invariably arises as to what particular method or methods would tend to increase the rate at which mentally retarded children learn. Certain facets of this question are being studied at the University of Illinois. The researcher is employing an automatic teaching device in teaching mentally retarded children in the area of the language arts. From this study will come programing principles based on sound learning theory to be used in future teaching of the mentally retarded through the use of auto-instructional devices. This type of aid will permit the teacher to spend more individual time with her students.

7. Research at San Francisco State College has devised a test which can measure the change in communicative effectiveness of mentally retarded children. It is now possible for both teachers and speech therapists to determine the level of communicative effectiveness of mentally retarded children. They can now incorporate the teaching of particular communicative skills with the daily life activities of the children by providing more experience in the areas in which the children have been found to be weak.

Copies of all final reports of research projects supported by the cooperative research program are being sent to the Library of Congress. The Library, in turn, is distributing the reports to approximately 60 subscribing libraries throughout the Nation. They are also available through the interlibrary loan system.

The monographs released by the Office of Education, and distributed by the Superintendent of Documents, U.S. Government Printing Office, are based on selected cooperative research program projects and activities. One of the nine that has been released to date is entitled "Motor Characteristics of the Mentally Retarded." The publication reports on a research project conducted at the University of Wisconsin. Eight additional monographs are in the latter stages of printing, editing, and proofing. Twelve more monographs are planned for fiscal year 1963. Among these will be one summarizing all cooperative research projects concerned with mental retardation. This publication will focus on what the implications are for future research as well as for possible application in the classroom.

The exact number of articles based on cooperative research projects that have been prepared by the investigators and published in professional journals is unknown. It is known, however, that 1 project alone was the basis for 26 different professional journal articles. Information pertaining to the dissemination of research findings will be available in the near future and will be based on a survey of information secured from the principal investigators.

Another method of dissemination is the publication of the abstracts of completed projects dealing with the mentally retarded in the quarterly issues of the *American Journal of Mental Deficiency*.

Educational media research

Under the provisions of title VII of the National Defense Education Act, approximately \$9 million has been granted to nonprofit institutions for support of research and experimentation in the educational uses of newer media of communication. Thus far approximately \$20,000 has been allocated for support of projects directly concerned with the mentally retarded. Discoveries from the other research projects will also apply to this group, particularly those which report findings suggesting new understanding of mental processes and abilities.

Three projects specifically involving the mentally retarded, their location, and expected date of completion, are as follows:

1. The effects of mental retardation on film learning: A study to determine what types of instructional film experiences are meaningful to children with mental retardation regularly enrolled in public schools (University of California at Los Angeles, September 30, 1961). (Final report has not yet been submitted.)

2. Automated programs for the instruction of arithmetic concepts to mentally retarded children (Partlow State School, Alabama, August 31, 1962).

3. The development and evaluation of a curriculum for educable mental retardates utilizing self-instructional devices or "teaching machines" (Edward R. Johnstone Training and Research Center, New Jersey, May 31, 1963).

A fourth project, completed by Grambling College, Louisiana, investigated the comparative effectiveness of three techniques of film utilization in teaching a selected group of educable mentally retarded children enrolled in public schools.

With the extension of the National Defense Education Act, the opportunity has been provided for the initiation of limited new programs of fundamental media research. The research should be useful in securing new knowledge which will in time provide teachers with new and more efficient techniques for educating the mentally retarded. Educators have long been interested in the problems of developing in the retardate a felt need for learning and of finding means for facilitating the transfer of learning to life situations. There has been little investigation of the relationship of media to these problems. As a result, the range of instructional materials for the slow learner is relatively small, and the development of educational technology geared to this level of mental ability has been slow.

The findings of projects supported under the provisions of title VII are widely disseminated for the benefit of the public schools and institutions of higher education in using new communications media to educate their students. The final report is distributed through the Library of Congress Documents Expediting Service to key libraries across the Nation and a copy is sent to each chief State school officer. The completed report is microfilmed and made available through the University Microfilm Service and an abstract of the report is published in a national educational research quarterly. Critical essays on appropriate groups of completed projects also appear in the research quarterly and special reports on groups of projects will be published.

MENTAL RETARDATION PROGRAM OF THE OFFICE OF VOCATIONAL REHABILITATION

Problems in rehabilitating this disability group

Drs. Masland, Sarason, and Gladwin have stated that using as the criterion of disability the inability to obtain gainful employment, with the possible exception of mental illness, mental retardation is the most significant handicap to our present society. "Of the 4,200,000 children born annually in the United States, 3 percent (126,000) will never achieve the intellect of a 12-year-old; 0.3 percent (12,600) will remain below the 7-year intellectual level and 0.1 percent (4,200), if they survive, will spend their lives as completely helpless imbeciles unable to care even for their own creature needs."

Dr. George Tarjan, superintendent of Pacific State Hospital (for mentally retarded), Pomona, Calif., gives these figures: Once every thousandth time there is a baby born in our country whose mentality will be so severely impaired that he will not be able to survive for any length of time unless he is constantly protected and sheltered by other fellow humans. Though life expectancy for this group is limited, there are probably some 60,000 to 90,000 such severely retarded individuals living in the United States. Most of them are children or adolescent. Vocational rehabilitation in its present sense has little to offer for them. They will always need our custody, and unless major medical discoveries are made, their vocational contributions will remain very limited.

Another group of the retarded are born with about three times the above frequency and with a greater chance for survival. This group comprises about 300,000 to 350,000 people in the United States. They are children, adolescents, or adults who are much more capable than the first group. They can learn, and understand the meaning of danger. They can assist with their own care and in a protective environment can even undertake semiproductive endeavors. Their shortcomings become evident when they are called upon to understand the meaning of symbols as used in the written language.

Present day evidence, in and out of institutional settings, shows that these persons can learn many tasks when patiently and properly taught. The better their overall emotional adjustment, the greater the likelihood that through rote memory they can acquire several job skills.

A third category of the mentally retarded is generally estimated as including as many as 5 million people in our country, about 3 percent of our population. They represent a large group of human beings who, in a limited way, adjust to the demands of our society and take a positive place in our manpower pool. Only under stress situations do they come to our attention and are suspected, then identified or diagnosed, thereby becoming a public concern.

The number in need of rehabilitation services is not known, but that the need is great is obvious.

The greatly increased activity on the part of the National Association for Retarded Children and its local affiliates has served to focus public attention on the extent and seriousness of the problem. Several studies over the past few years have revealed that despite improved and improving public school programs for the retarded, 25 to 40 percent of the educable groups coming out of those classes could either not be placed on jobs, or hold them if they were placed. Moreover, a significant number of the trainable group received no vocational training or job opportunities whatsoever. Traditionally the mentally retarded individual has been the target of ridicule and prejudice which has restricted all phases of his development. Inadequate education and poor personal relationships have pushed him steadily down the scale of intellectual functioning. It is the vocational rehabilitation of this group to the point where they can take and hold a job that constitutes the focus of the OVR program.

Usually the retarded person referred to the rehabilitation agency has had

no employment experience or a series of unsuccessful attempts on a job. His lack of skills and confidence further jeopardizes his opportunities in the labor market. These are some of the problems confronting the rehabilitation counselor—problems of community attitudes as well as those of the client himself.

Accomplishments

Federal-State Program.—Estimated number of mentally retarded rehabilitated by the State vocational rehabilitation agencies in fiscal years 1959–63:

Fiscal year ending June 30	Persons rehabilitated	
	Total ¹	Mentally retarded ²
1959	80,739	2,016
1960	88,275	2,937
1961	92,501	3,500
1962	100,000	4,400
1963	110,400	5,400

¹ Total rehabilitants, actual for fiscal year 1960; estimates for fiscal years 1961, 1962, and 1963 based on State budget estimates.

² Estimates based on the trend in the number and percent of rehabilitants for each group in fiscal years 1957–59.

The number of mentally retarded rehabilitated by the State rehabilitation agencies is increasing. It is expected that 5,400 will be rehabilitated in 1963 at an estimated expenditure of about \$3.5 million in Federal funds in addition to State funds. These totals compare with the estimated expenditure of about \$2.8 million in Federal funds in 1962 for the rehabilitation of about 4,400 mentally retarded, \$2.1 million in Federal funds in 1961 for the rehabilitation of about 3,500 mentally retarded, and an estimated \$1.6 million for the rehabilitation of 2,937 mentally retarded in 1960.

Extension and improvement projects under section 3 of the Vocational Rehabilitation Act have been used in the general programs in a variety of ways to make substantial contributions toward increasing the number of mentally retarded rehabilitated. A total of 16 projects concerned with the mentally retarded were supported in 1961. Typical is the project in the State of Connecticut:

Extension and improvement of services to mentally retarded clients.—

This project has been developed by the Connecticut Bureau of Vocational Rehabilitation in close cooperation with the Southbury Training School and the Mansfield State Training School and Hospital which are under the office of mental retardation of the State department of health. A principal aim of this project is to tie in the use of local rehabilitation offices and other local facilities such as rehabilitation centers and workshops more closely with the two institutions.

Rehabilitation counselors assigned to the institutions work closely with the institutions and with local public and private groups and agencies to provide community related services carried beyond the institutions to achieve successful job-community adjustment for mentally retarded. There has been increasing utilization of community rehabilitation centers and workshops for prevocational evaluation and training. Emphasis is being given to the development of personal-adjustment training, on-the-job training facilities and employment opportunities. This program is making it possible to move mentally retarded individuals out of the institution into the community and to facilitate their entrance into employment.

Research and Demonstrations

Research into the causes and prevention of mental retardation is vital to the problem. However, this large segment of our total population now in existence must have expert assistance made available to them. We must develop more precise skills in treatment and training for their social, psychological, and vocational adjustment. The research and demonstration grant program, authorized under the vocational rehabilitation legislation of 1954, is a major step in meeting this need. A total of 54 projects have been approved to date, of which 15 research and 23 selected demonstration projects are currently in operation.

The research projects show wide variations in areas studied. Some are related to special workshop studies, others are community programs dealing with a special aspect of mental retardation such as developing a statewide program, studying employer attitudes, evaluating vocational training in a rural regional center, or providing transitional facilities through a halfway house. The remainder are devoted to specialized subjects such as predicting performance; assessing social adjustment based on job, personality, and education; developing a social capacity scale or ascertaining the effects of special training.

In July 1957, the Office of Vocational Rehabilitation began a program of demonstration projects to accelerate vocational rehabilitation services to severely disabled persons and to provide for prompt and widespread application of knowledge and experience acquired in the Office of Vocational Rehabilitation research grant program. The 31 demonstration projects approved through fiscal year 1961 for the mentally retarded have been a vital factor in accelerating services for this group.

Training Courses for Rehabilitation of the Mentally Retarded

The program of the State vocational rehabilitation agency is the overall program where the methodologies and skills which have proved effective through research and demonstration must be applied. To move forward in serving far greater numbers of the retarded than we have, the agencies need not only additional staff but staff with special knowledge in the field. Of particular importance to the mentally retarded are the rehabilitation of counselors, the psychologists, the social workers, and frequently the speech and hearing personnel.

The OVR supports long-term training programs to increase the supply of professional personnel and short-term training programs to increase the technical proficiency of existing rehabilitation personnel. In addition, regional workshops are conducted for rehabilitation counselors and others engaged in the rehabilitation of the mentally retarded.

MENTAL RETARDATION PROGRAM OF THE PUBLIC HEALTH SERVICE

Neurological research activities

The National Institute of Neurological Disease and Blindness conducts research in mental retardation and related neurological and sensory disorders of infancy and childhood at its Bethesda laboratories and supports such research at medical centers across the country through its research grants program. The amount of money invested in research in this field has grown from \$370,000 in 1955 to more than \$11 million in the current fiscal year.

Advances have already been made in pinpointing some of the causes of mental retardation. Phenylketonuria (PKU) and galactosemia, congenital thyroid deficiency, and Rh blood incompatibility have been identified as cripples of children's minds and today can be successfully treated. But much remains to be done, if we are to eliminate mental retardation as one of the Nation's most serious public health problems.

To meet this challenge, the Institute now is spending about one-quarter of its research appropriation to support 151 projects aimed at increasing our knowledge of the causes, prevention, and treatment of mental retardation and kindred disorders. In the forefront of the Institute's research attack in this area is the long-term collaborative project on cerebral palsy, mental retardation, and other neurological and sensory disorders of infancy and childhood. The project has been in operation 5½ years, including 2½ years of careful planning and extensive preparation. Its primary goal is to identify those biological and medical factors present between conception and birth which may be associated with mental retardation, cerebral palsy, congenital defects of the nervous system, and congenital blindness and deafness. To this end, 15 hospital teams of medical and allied scientists are studying expectant mothers from early pregnancy through labor and delivery, and are examining their children periodically from birth through school age. The project will eventually involve some 50,000 mothers and children in many parts of the country. As analysis of the information collected reveals suspicious factors, they will be tested and their role evaluated.

The project has already produced useful preliminary data showing that the incidence of neurological disorders among infants and children may be higher than previously believed. A recent analysis of data collected on 7,500 pregnancies has shown an association between cigarette smoking and prematurity,

which is an important factor in brain damage and deaths in infancy. Prematurity is usually defined in terms of birth weight. In this series of cases, the decrease in birth weight was proportional to the number of cigarettes smoked daily during pregnancy. This result confirms previous reports on the effect of cigarette smoking on birth weight.

At its Bethesda laboratories and at medical centers throughout the country, NINDB scientists and grantees are conducting a wide range of research projects aimed at saving children from mental retardation. These include studies of chromosomes in mongoloids and in patients with congenital malformations, biochemical and microscopic investigations of the brain and nervous system, methodological studies on techniques of early detection of neurological defects, projects on causative factors such as oxygen deprivation and jaundice in newborn infants, and investigations of toxic and metabolic deficiency disorders and developmental defects.

An example of the kind of advances produced by research is the recent development by an Institute grantee of a simple, inexpensive blood test that can detect the brain-damaging metabolic disorder known as phenylketonuria in the first week of life. Widespread use of this test on newborn infants and of the special diet developed for children with PKU could wipe out one form of mental retardation.

Other clues to causes of mental retardation are being supplied by the Institute's primate center in Puerto Rico, where deliberate laboratory efforts have been made to produce mental retardation in animals. Important investigations have been conducted at the Laboratory of Perinatal Physiology, and others are planned to demonstrate the effects of harmful agents on the developing animal, and to observe the characteristics of the mental retardation which they may produce.

Mental health activities in research, training, and program developments

Reports of activities relating to mental retardation conducted at the National Institutes of Health include the broadly based program of the National Institute of Mental Health. The wide range is indicated by the following four general areas: contributions to basic knowledge through experimental projects, increase in the numbers and competency of professionals in the field through support of training, and improvement and expansion of service programs through technical assistance and grants-in-aid to States.

Approximately 80 research projects in or immediately related to mental retardation are now being supported by the National Institute of Mental Health. The increase in this Institute's activities in this field is indicated by expenditures of over \$2 million in 1959, to an estimated \$5,275,000 for 1962.

Much of the basic research conducted by this Institute at Bethesda is of direct relevance to mental retardation. Typical of research in the biological areas is the wide array of projects concerned with phenylketonuria. Biochemists are examining the metabolism of the phenylketonuric child in relation to the child's total growth and the function of the excessive accumulation of phenylalanine.

A major project is the revision and standardization of scales of infant and child mental and motor development up to preschool age. The study of mental subnormality in younger children has to date been severely handicapped by a lack of adequate baseline data on the normal child for purposes of comparison.

The new Biosocial Growth Center is conducting a series of studies of parents and children. Stress is placed on psychological factors and on patterns of neuromuscular behavior in the infant and young child. The Institute is also conducting a basic study of family relationships as they differ in the various socioeconomic classes.

In the psychological and social area, the National Institute of Mental Health is supporting a number of studies of learning in the mentally retarded. Attention has been focused on how little is really known in detail about the socialization of the child in our society. The study should make a real contribution to understanding child development and normal educational processes. Research is also being supported on the process of decision and effects of institutionalization of the retarded on both the child and his family; also included is examination of such factors as differences in speech patterns in the institutionalized and noninstitutionalized child.

Under the program of mental health project grants, the National Institute of Mental Health supports demonstration, experimental, and pilot studies related to the care, treatment, and rehabilitation of the mentally retarded. Attempts are also being made to develop and refine screening procedures for detecting mental retardation at earlier ages. Intense activity has laid the groundwork

for large scale demonstration programs for the control of phenylketonuria. This has included a review of the literature, a study of current State programs, and field visits. Several States have submitted programs of various types. The approaches include: a comprehensive screening, treatment and followup on a statewide basis; intensive clinical and laboratory studies of the population of a State institution; screening of all children in special classes for the mentally retarded throughout a State.

The Institute is presently a central point for the collection of data throughout the country on patients resident in institutions for the mentally retarded. A substantial part of the 12th Annual Conference of Mental Hospital Statisticians, to be held in Madison, Wis., in May 1962 under the sponsorship of the Institute, will be devoted to a discussion of mental retardation. Plans will be formulated for the development of uniform definitions among States and the design of meaningful tabulations describing the movement and characteristics of patients in institutions for the mentally retarded comparable to developments which have taken place concerning data on hospitals for the mentally ill.

The Institute's grant to the American Association on Mental Deficiency for the project on "Technical Planning in Mental Retardation" has achieved many of the goals envisaged at the start of support in 1955. The goals and achievements include: A wider dissemination of research findings, key conferences and other means of bringing together interested workers; definitive publications including research reviews, diagnostic manuals, guides for program development; expanded training opportunities at all levels; in general a creative push forward of activities in the total field of mental retardation. Support is to continue until 1963.

Other efforts of this Institute include support for the professional training of persons in the basic mental health disciplines such as the training of psychologists, psychiatrists, and social workers with special competence in mental retardation. The National Institute of Mental Health also maintains a consultant staff in each of the eight Department of Health, Education, and Welfare regional offices throughout the country to provide professional and technical assistance to a wide variety of programs in all of the States.

MENTAL RETARDATION PROGRAM OF THE SOCIAL SECURITY ADMINISTRATION

Three Bureaus of the Social Security Administration are making contributions to the fight against mental retardation: The Children's Bureau, the Bureau of Family Services (formerly the Bureau of Public Assistance) and the Bureau of Old-Age and Survivors Insurance.

MENTAL RETARDATION ACTIVITIES OF THE CHILDREN'S BUREAU

The Children's Bureau concern for mentally retarded children stems initially from its responsibility under the Basic Act of 1912 to "investigate and report on all matters pertaining to the welfare of children and childlife." In the first 6 years of its existence, three of the major studies produced by the Bureau dealt with mental retardation.

The passage of the Social Security Act in 1935 and the assignment to the Bureau of the added responsibility of administering Federal grants for maternal and child health, crippled children, and child welfare services, emphasized the principle that all of the people of the United States, through the Federal Government, share with the State and local governments responsibility for helping to provide community services that children need to have for a good start in life. The Social Security Act also afforded the Bureau an opportunity to help the States develop demonstrations and special programs in areas where there were gaps in services.

Maternal and child health services

As recently as 1954, maternal and child health activities in behalf of mentally retarded children and their families were extremely limited. Many local public health nurses were reporting suspected mentally retarded children in their caseload, but for the most part they had few or no resources for establishing a diagnosis. Consultation and guidance as to how to deal with these children and their families generally were not available. Some children who were functioning below the normal expected level of development were being followed in well-child conferences, but adequate developmental and diagnostic appraisal was not generally available, nor was continuing guidance to parents once such a diagnosis had been made.

Testimony before the House Appropriations Committee in 1957 indicated that the principal needs for the mentally retarded were to find these children early, to provide a complete evaluation, to interpret the findings to parents, and to use the findings as a basis for ongoing help and care. By age groups, the greatest gap in available services was in relation to infants and preschool children. It appeared that these services that were lacking could best be provided through program emphasis within the framework of the maternal and child health program. The basic interests of this program, that is, preventive health services, child health supervision, growth and development, and the fostering of good parent-child relationships are also the basic interests of a program for mentally retarded children.

It was on this basis and to achieve these goals that the Congress for fiscal year 1957, increased the annual maternal and child health appropriations and earmarked \$1 million specifically for special projects serving this group of children. The Appropriations Committee also expressed the hope that a second million dollars of the increase which was to be distributed to the States on a regular formula basis would be used to implement services for the mentally retarded.

Services to children and their families

The State health departments have been making use of these grants to establish demonstration programs centering about child health supervision and the problems in growth and development of children who are retarded or suspected of being retarded.

By 1961, 46 States and territories were providing some special clinical services to well over 10,000 mentally retarded children and their families. Seventy-five percent of the children were under 9 years of age. Over 50 percent had associated handicaps in addition to the mental retardation.

Children served by mental retardation programs under State health departments, summary of State reports, 1958, 1959, 1960

Item	Number			Average per State		
	1958	1959	1960	1958	1959	1960
Applications:						
Total handled this year.....	7, 099	5, 419	6, 485	192	143	171
New.....	5, 976	6, 085	8, 054	162	160	212
Carried over to next year.....	1, 531	1, 810	1, 646	41	48	43
Cases:						
Total admitted this year.....	4, 936	5, 401	5, 747	133	142	151
Total served.....	6, 841	8, 871	10, 644	185	233	280
Carried over to next year.....	3, 548	5, 023	6, 404	96	132	169
Number of States submitting reports.....	37	38	38			

Source of data: CB-251-II.

Children served by mental retardation programs under State health departments—Age distribution of new cases, 1958, 1959, 1960

Item	1958		1959		1960	
	Number	Percent	Number	Percent	Number	Percent
Age group:						
Total.....	4, 336	100. 0	4, 980	100. 0	5, 646	100. 0
Under 1 year.....	119	2. 8	116	2. 3	138	2. 4
1 to 4 years.....	1, 211	27. 9	1, 440	28. 9	1, 787	31. 7
5 to 9 years.....	1, 909	44. 0	2, 211	44. 4	2, 432	43. 1
10 to 14 years.....	916	21. 1	1, 007	20. 2	981	17. 4
15 to 20 years.....	181	4. 2	206	4. 1	308	5. 4
Number of States reporting.....	37		38		38	

¹ Excludes cases for which age was not stated.

Source of data: CB-251-II.

The services provided include diagnosis, evaluation of a child's capacity for growth, and evolving together with the parents an individual plan for continuing care and supervision.

The nucleus of the demonstrations usually is a specialized clinical team. This team would include a pediatrician who is usually the medical director of the project, a psychologist, a medical or psychiatric social worker, public health nursing services, and in some clinics, a child development specialist, a speech therapist, and a nutritionist. Other medical consultants such as psychiatrists as well as other nonmedical specialists are used as needed.

These demonstration projects have not only provided a needed service to retarded children and their parents, but have also allowed the States to demonstrate to local communities how a program might be set up, how cases can be located early, what makes up an evaluation, what kinds of help can be provided of these children and their families. The accumulation of case data and experience by the group of specialists has also made it possible for these groups to pinpoint other gaps and unmet needs in the State.

Training of personnel

Most important of all in a field where there is a real lack of trained personnel, these demonstration projects have been serving as training and orientation centers for a variety of professional workers. For example, 14 of the projects are set up in conjunction with medical schools. While these projects are providing services to children, they are using these services as a base in the teaching and training of medical students, interns, residents, and nurses. Annual reports from these 14 projects indicate that during the average year they train approximately 1,500 second-year residents and medical students, 200 nurses, 300 teachers, and provide fieldwork placement and supervision for approximately 30 social-work students. These 14 programs alone are annually providing approximately 2,520 hours in training of professional personnel of various kinds.

Most of the programs are using the services to retarded children to provide in-service training for health department personnel and personnel of other State agencies and institutions. For example, it is estimated that almost 90 percent of the 28,000 public health nurses have received some in-service orientation and education to the problem of mental retardation through this program.

Program research

A number of the projects were primarily set up to study or evaluate a particular phase of mental retardation or aspect of service. Some of the areas included in these projects were:

- (1) Study of the services a metropolitan area needs for the mentally retarded and an assessment of how these services can be provided.
- (2) Evaluation and study of the use of a traveling clinic to provide services to the mentally retarded over a broad area.
- (3) Study of recordkeeping and evaluation of patients in an ongoing program.
- (4) Assessment of how to provide services in a rural area.

As the projects have developed, however, almost all have undertaken particular studies as a part of carrying out their major functions. A number of projects providing training have studied attitudes of medical students toward the retarded in an effort to facilitate their approaches in a teaching program. Additional areas studied and reported on by these programs include dental problems, problems of mental retardation as reported in populations of Indian children living on reservations, waiting lists of children for admission to State institutions, and studies of the growth and development patterns of young retarded children.

Application of public health methods to recreation

A major emphasis within the past year has been the development of large-scale screening, diagnosis and treatment of infants and families with phenylketonuria. This inborn error of metabolism has in the past been responsible for 1 percent of the population in our State institutions for the mentally retarded. By detecting families with the condition and by placing young infants with the condition on a special diet, mental retardation can apparently be prevented. The Children's Bureau has been working with State health departments in developing various screening and detection programs as well as developing the necessary laboratory facilities and programs for providing the diet and following its results. More than half of the States have set up complete screening and treatment programs for this condition. A start has been made in exploring which of the preventive techniques and programs developed for phenylketonuria

can be applied to other inborn errors of metabolism which also result in mental retardation.

As a part of this effort in phenylketonuria, the following two projects have been undertaken by the Bureau within the past year:

(1) *Collaborative study of prevention of mental retardation in babies with phenylketonuria.*—On recommendation of its Technical Committee on Mental Retardation, the Children's Bureau (Division of Health Services and Division of Research) has begun a collaborative study of children with PKU under the care of mental retardation clinics which are supported with maternal and child health funds, but including other clinics that wish to participate. This will be a study of the dietary treatment of this condition and the growth and development of these children. By such a joint study, data on a sufficient number of patients will be forthcoming for the first time to enable us to draw conclusions regarding the conditions controlling the prevention of mental retardation in PKU through specific dietary treatment.

(2) *Application on wide scale of new blood screening test in newborn infants to locate babies with PKU.*—The major problem in case finding by the urine tests is that they cannot be carried out in the newborn period when babies are still in the hospital. A simple test using a few drops of blood has been developed by Dr. Robert Guthrie of the Children's Hospital, Buffalo, which is done on newborn infants just before they leave the hospital. Since over 90 percent of births now take place in hospitals, this simplifies case finding by making this a routine test.

Dr. Guthrie has asked the Children's Bureau to assist in the application of this method in a number of hospitals with large obstetric services and we have begun to develop this screening test through some of the State health departments and mental retardation projects the Children's Bureau is supporting. A report of this test was first made public in the November 25 issue of the Journal of the American Medical Association.

The achievements of this program from 1957 to date can be summarized as follows:

Forty-nine States and three territories have initiated special program activities on behalf of the mentally retarded as a part of their maternal and child health programs.

Forty-six States are providing clinical services to mentally retarded children and their families living at home.

Of the Nation's 82 special clinics for retarded children 50 have been developed through this program.

Over 200 specialists from various disciplines have been recruited and trained to provide service and leadership in these programs for the mentally retarded.

Over 25,000 public health nurses have received some training or orientation in mental retardation and in assisting families in the home care of mentally retarded children.

Fourteen medical schools are using the special clinical services to retarded children as the basis for training of medical students, residents, and interns. Some 4,500 medical students, residents, and interns have received training or orientation in the newer concepts and approaches to the problem of mental retardation.

Over 1,200 nursing students have received some preparation in working with the mentally retarded.

More than 25,000 retarded children have been given complete evaluation and followup care. Currently about 10,000 children a year are being served.

Public health methods of screening, detection, and prevention of mental retardation in the condition of phenylketonuria, an inborn error of metabolism have been evolved.

Twenty-six States have set up programs for the detection and treatment of phenylketonuria utilizing these methods.

More than 25 infants with phenylketonuria in the past year have been located, diagnosed and placed on a diet which will prevent mental retardation.

Three films have been developed as a part of this program.

(1) "The Public Health Nurse and the Retarded Child" produced by the Oklahoma State Department of Health;

(2) "Beyond the Shadows" produced by Western Cine Production; and

(3) "Pioneering Dental Health for Retarded Children" produced by Bay State Film Productions for the Joseph Samuels Dental Clinic of the Rhode Island Hospital.

"The Public Health Nurse and the Retarded Child" has been used in 40 States. At the 1959 annual meeting of the University Film Producers Association at Purdue University, it was selected as third best out of 1,000 films.

"Beyond the Shadows" was selected for the finals in the International Film Festival.

A fourth film on which production has been completed and which will soon be released by the Oklahoma Health Department is entitled "The Role of the Physician in Mental Retardation" and will deal with the role of the private physician in mental retardation.

The needs of retarded children are becoming increasingly acute as the pattern of life in our society becomes more complex. Retarded children today are confronted with greater difficulty in social adjustment, family stability is often threatened, and communities must cope with expanded educational and behavioral problems.

Of the more than 2 million retarded children in this country, 96 percent live in the community, most of them with their own families, others in foster family or group care. Those children—frequently clients of public child-welfare agencies—present a wide range of emotional and practical problems to their families. Though they come from every walk of life, many, particularly the mildly retarded, are members of ethnic minorities, live under substandard conditions, lack proper educational and cultural opportunities, and are deprived of other essentials basic to healthy development. Not infrequently, neglect, dependency, or delinquency bring them to the public child-welfare agency.

As of March 1960, these agencies provided services to approximately 375,000 children. An estimated 10 percent of this group are mentally retarded. An indication of the severe shortage of child welfare services for retarded children is apparent when it is recognized that 51 per 10,000 of the total child population receive service and 120 per 10,000 of the child population are mentally retarded.

To meet this tremendous need, the Children's Bureau has directed its efforts in relation to child welfare services for retarded children and their families toward—

- (1) Investigating and reporting upon the effect of mental retardation on family life and the impact of environmental conditions on mental and social growth.
- (2) Identifying and interpreting the role of social agencies in services to the retarded and stimulating these agencies to assume their responsibilities.
- (3) Extending and strengthening basic child welfare services and establishing specialized resources and facilities as appropriate.
- (4) Increasing the knowledge and skill of child welfare and other social work personnel through inservice training and professional education opportunities.

The Bureau has attempted to fulfill its responsibilities through the activities of its staff specialist on social services for mentally retarded children and through other regional and central office staff. Activities have included study and evaluation of needs, resources, and practices; dissemination of information; technical assistance and consultation; development of guide materials; planning and conduct of training and educational experiences. Consultation has been provided to other Federal agencies national voluntary organizations and groups, State welfare departments, interdepartmental committees, community planning councils, schools of social work, institutions, and other agencies.

The impact of these activities on child welfare and other social agency programs is somewhat intangible and difficult to measure and document. Nevertheless, it is believed that Bureau leadership has contributed in part to some of the following developments:

- (1) Public and voluntary welfare agencies at National, State, and local levels devote increasing attention to the provision of learning experience in this subject area.
- (2) In approximately half of the States, preliminary steps to the development of statewide comprehensive programs for retarded children have been undertaken. Public child welfare agencies have participated in these steps including surveys and inventories, legislation, policy formulation, program planning, and methods for coordinating the programs of State departments and in local communities.

(3) Child welfare workers in some communities provide services to families and children following diagnostic evaluation and in perhaps one-third of the States, assume responsibility for preadmission and aftercare services for children in institutions. This has facilitated the return of some retarded children to the community and has enabled more parents to keep their children at home.

(4) Basic child welfare services, still in short supply, are nevertheless being increasingly extended to this group. Day care, counseling and guidance, and specialized foster family homes are helping to relieve the burdens of families and contributing to the healthier growth of the children. The removal of some retarded children from damaging homes has greatly enhanced their mental development.

(5) Schools of social work are becoming increasingly active in promoting greater knowledge of the needs of the mentally retarded through incorporation of content into the curriculum, sponsorship of training institutes, and development of teaching materials. The number of schools offering field instruction placements in facilities serving the retarded has increased in the past 4 years from approximately 7 to more than 20.

(6) Child welfare agencies are recognizing a need for research and demonstration projects regarding the mentally retarded, and schools of social work have conducted some outstanding studies in this area.

(7) Growing concern and interest is being reflected in some States in programming for the retarded juvenile offender who frequently becomes a client of public child welfare agencies through the pathways of neglect or delinquency.

(8) Public responsibility for the development and financial support of day care centers to provide for care, protection, and social development for retarded children of preschool age or for the older child ineligible for public school attendance is growing. This responsibility is also being reflected in the development of pilot demonstration projects and in the stepped-up efforts of States to strengthen the standards and licensing requirements of privately sponsored residential and day care facilities caring for retarded children.

(9) Church-sponsored organizations are assuming a more active role in identifying their contribution to services for the retarded child and in implementing plans for national action by their membership agencies.

To eliminate gaps in the provision of social services to retarded children, the Bureau plans to extend its help to States in 1962. Serious deficiencies exist in the standards of care provided in some institutions, and social services in these facilities need to be expanded and better coordinated with community resources. In addition, intensified efforts must be devoted to inservice training and professional education of social work personnel, to the broad aspects of community planning and organization and to the development of comprehensive State and local programs for retarded children.

Children's Bureau publications

The following publications have been produced by the Children's Bureau and are currently on sale by the Superintendent of Documents, U.S. Government Printing Office:

(1) "The Child Who Is Mentally Retarded," CB Folder No. 43-1956 (23 pp.). Placed on sale November 29, 1956; cost per copy 10 cents. Number of copies distributed to November 30, 1961, 261,891.

(2) "The Mongoloid Baby," CB Folder No. 50-1960 (20 pp.). Placed on sale September 12, 1960; cost per copy 10 cents. Number of copies distributed to November 30, 1961, 40,122.

(3) "The Mentally Retarded Child at Home," CB Publication No. 37-1959 (99 pp.). Placed on sale February 13, 1959; cost per copy 35 cents. Number of copies distributed to November 30, 1961, 74,304.

(4) "Research Relating to Mentally Retarded Children," placed on sale May 26, 1960; cost per copy 35 cents. Number of copies distributed to November 30, 1961, 4,660.

(5) "Phenylketonuria," CB Publication No. 388, 1961 (28 pp.). Placed on sale June 1961; cost per copy 15 cents. Number of copies distributed to November 30, 1961, 29,489.

In addition, a number of papers on mental retardation by Children's Bureau staff have been published in various technical journals, and others have been mimeographed and distributed by the Children's Bureau.

Plans for the future

An indication of progress to date is the successful establishment of clinical services for retarded children in most State maternal and child health programs. However, only a few States have opened more than one clinic, and these already have long waiting lists. An increase in the number of these clinics in each State is therefore essential. The number of retarded children will probably increase as a result of the increase in the child population and the increase in life expectancy.

During the next few years it is anticipated that the following developments will take place:

- Expansion of community programs for mentally retarded children to provide more diagnostic, evaluative, and preventive health services and social services.

- Continued emphasis on prevention of retardation through improved prenatal care, the care of premature infants and improved methods for the location, diagnosis, and treatment of infants with metabolic disorders which result in retardation.

- Greater use of the well-baby clinic for early case finding and supervision.

- Development of standards and licensing for the growing number of nursery school and day care programs for young retarded children.

- Increasing the availability of home assistance programs for parents in the home care of retarded children.

- Development of standards and programs for diagnosis, medical care, and health supervision for children in residential institutions.

- Development of specialized services for retarded adolescents.

- Continued emphasis in the detection of young children functioning on a retarded level by virtue of social and cultural deprivation and the provision of child welfare services aimed at prevention, planning, and treatment.

- Stimulation of research and demonstration projects that will contribute new knowledge and techniques in promoting the maximum development of retarded children through child welfare services.

MENTAL RETARDATION ACTIVITIES OF THE BUREAU OF FAMILY SERVICES

The Bureau assists the States through issuance of materials and consultation in developing special services designed to help families handle constructively the needs of the mentally retarded member of the family in order that his fullest potential may be realized. Assistance is also given the States in developing effective methods of cooperation and use of community resources serving mentally retarded persons. The Bureau has a project currently underway in cooperation with the Children's Bureau, designed to help State agencies identify ADC children who are living in hazardous situations. This includes aspects of mental retardation—i.e., is there a risk to a child's well-being because of mental retardation which may not be recognized by the parent, or because the parent himself (or caretaker) may be mentally retarded. The cost of staff time utilized for these purposes has been roughly estimated at \$15,000 in fiscal year 1961 and is expected to amount to about \$20,000 in fiscal year 1962 and also in fiscal year 1963.

Complete information is not available on how many mentally retarded people are receiving public assistance because when the Bureau secures data, it does not single out this one cause as a factor in disability or in dependency. However, a study made of the "characteristics of recipients of aid to the permanently and totally disabled" in 1951 (a new study is now in progress) showed that mental deficiency was the major cause of disability for persons under 35 (20.3 percent of all receiving aid to the permanently and totally disabled were in this age group). For those 35 to 54, it was the major cause of disability in 8.3 percent; and for those 55 and over, 2.8 percent. There is no study of aid to dependent children which would show statistics in this factor in the ADC program, though it is known that some recipients (children and parents) are in this group.

Some services offered in the States, depending on specific provisions of the State plan, include financial assistance, which may include payment for medical care; medical and psychological examinations to determine nature and extent of disability and to help plan for treatment, employment, vocational rehabilitation, appropriate living arrangements (e.g., home for the aged, foster care, institutional care for mentally retarded, etc.); other social services—counseling and other help with personal, family, and social problems and difficulties; home-maker service, social rehabilitation service; referral to other sources of help

such as vocational guidance, sheltered workshops, and employment service (where these facilities are available in the community).

MENTAL RETARDATION ACTIVITIES OF THE BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

The social security program administered by the Bureau of Old-Age and Survivors Insurance contributes to the maintenance of the mentally retarded through the payment of monthly benefits to those eligible for such benefits.

The disability insurance program has grown rapidly as the result of a series of legislative changes since it began in 1954. Today payment of cash benefits is made to disabled workers under age 50 and to their dependents when the worker has the required quarters of coverage under the Social Security Act. A significant percentage of the adult population receiving disability benefits is disabled as a result of mental retardation.

The social security law also provides for payment of childhood disability benefits to seriously disabled persons aged 18 and older who have a disability that began before the age of 18 and has continued without interruption since that time; severely mentally retarded persons are eligible for such benefits when the parent upon whom they were dependent died insured under the program, or when such a parent is living and receiving old-age insurance.

Benefit payments to the mentally retarded and obligations incurred to adjudicate their claims for the years 1959 through 1963 are included on the table at the front of this report. The amounts involved have been estimated, because separate data is not kept in the area of mental retardation.

The estimate is based on the proportion of mentally retarded cases in our disabled adult population. Some benefits are paid to retarded children below the age of 18; however, estimates are unavailable as no valid data has been collected. Estimated mentally retarded adult beneficiaries for the 5-year period fiscal years 1959-63 appear below:

Fiscal year:	<i>Number of beneficiaries end of year</i>
1959-----	45, 200
1960-----	63, 000
1961-----	77, 000
1962-----	94, 200
1963-----	108, 800

PROGRAM FOR THE AGING

Mr. FOGARTY. Then we will place in the record a rather bulky statement on aging. Frankly I don't think it shows much progress as I have already mentioned. I hope, whether it is this Department or an independent commission, that we will get a much better report next year.

(The statement follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE PROGRAMS IN AGING

PREFACE

To fully understand existing programs in aging they must be viewed against the background of events that have occurred in our society. One of these is the rapid expansion of the segment of the population whom we call senior citizens. At the turn of the century there were only 3 million persons past the age of 65 in the United States. In the intervening decades this segment of our population has grown to more than 17 million. Each day sees a net addition of more than a thousand to the ranks of the senior citizens. Simultaneously with this growth of population, there have occurred a number of changes in our society which have complicated life for our seniors. The growth of automation, a rapid increase in the cost of living, an especially marked increase in the cost of medical care, the increasing prevalence of retirement systems, and

further accent on what has been called a youth culture, have led to an environment of social and economic dislocation which has been described by one writer as "the desperate world of the senior citizens." The growth of this population together with these changes has prompted the need for rapid and continued expansion of services provided by Government, voluntary associations, and individuals.

The Department of Health, Education, and Welfare has been aware of this challenge and has tried to meet it. The Department has had a fragmented approach, using those means which worked best. Basic, however, to this approach has been a recognition that individual older people have lived in a community, want to remain in that community by and large, and should have their needs met there. Consequently, our programs have been developed in co-operation with States and local government and with voluntary agencies within a community. Secondly, the Department has recognized the wide variation that exists among older people. This wide variation necessitates a multiplicity of programs rather than a single program. Our goal is to provide a range of opportunities so that that individual citizen may make choices, the choices that suit him best in giving purpose and meaning to his years of retirement.

The extent to which programs in the Department have expanded can be seen in the total departmental expenditures in the area of aging during the past 5 years. In that time, expenditures have increased from approximately \$9.6 billion to approximately \$14.7 billion. The number of dollars spent is but one index of the increasing concern by the Department for the welfare of older citizens. Not included here are many expenditures and many programs which, while not specifically tailored to the aged, have great benefit for the total population of the United States, including our older people. But even more important has been the recognition, particularly by Department administration, of the need for developing a coordinated program. To this end the Department has strengthened its staff resources; initiated action to convene an advisory panel of experts, and instituted regular departmental meetings of a Committee on Aging designed to study very carefully what has been done, to spot gaps, and to make recommendations to the Secretary as to how services can be still further improved and resources more effectively utilized.

Obligations and trust fund payments for programs on aging

[In thousands]

Agency and program	Fiscal year				
	1959	1960	1961	1962 estimate	1963 estimate
Special Staff on Aging (includes White House Conference on Aging)-----	\$214	\$1,327	\$841	\$252	\$317
Social Security Administration-----	9,577,100	10,862,100	11,839,200	13,530,100	14,567,900
OASDI benefits-----	8,346,000	9,600,000	10,498,000	12,015,000	12,944,000
Public assistance-----	1,231,100	1,262,100	1,341,200	1,515,100	1,623,900
Public Health Service:					
Bureau of State Services-----	42,754	45,044	54,382	70,102	84,603
National Institutes of Health-----	5,109	6,061	7,612	9,285	10,576
Office of Vocational Rehabilitation (rehabilitation; extension, improvement, research, demonstration projects; training)-----	12,861	13,790	18,146	21,460	24,842
Food and Drug Administration (enforcement)-----	3,930	4,968	6,785	7,789	10,244
Office of Education (vocational education; library services; consultative services, conferences, administrative expenses)-----	3,514	3,537	3,835	3,864	3,817
Total ¹ -----	9,645,481	10,936,826	11,930,801	13,642,852	14,702,299

¹ 31 percent of St. Elizabeths patients are 65 or over. However, operational, research, and training obligations related to this group are not identifiable.

FOOD AND DRUG ADMINISTRATION

Obligations by fiscal year for programs for the aging

Salaries and expenses:	[In thousands of dollars]
1959 -----	\$3, 930
1960 -----	4, 968
1961 -----	6, 785
1962 -----	7, 789
1963 -----	10, 224

NARRATIVE STATEMENT

The programs administered by the Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act and five related consumer protection laws all benefit the older segment of the population either directly or indirectly.

The major benefits and protection which these laws afford to older people involve FDA's enforcement activities in the areas of drugs, medical devices, and quackery. For example, many drugs currently on the market and those being developed and designed specifically to combat the problems of aging people. These problems include such diseases as arthritis, rheumatism, the degeneration of hearing and vision, prostate disturbances, lack of appetite, insomnia, muscular weakness, etc. Since FDA must approve all new drugs before they can be marketed a direct benefit accrues to older people who suffer from these illnesses and who rely on drugs for the relief of pain and the prolongation of life itself. The rapid advances being made in the development of new drugs is illustrated by the fact that during fiscal year 1961 FDA received 463 new drug applications and 2,668 supplements to previously approved drugs.

In fiscal year 1962 FDA will increase its staff assigned to work on drugs from 565 to 671. The 1963 budget, now before Congress, would add an additional 126 positions bringing the total staff assigned to drug work to 797.

Since the majority of older people suffer from metabolic disorders they automatically become the prime target of spiliers, health-food lecturers, food faddists, and other self-styled experts in body nutrition and health. During fiscal year 1961 FDA expended approximately 23 man-years of field inspectional and analytical time in this area of consumer protection. A total of 82 seizures were made of products involving false and misleading claims. During fiscal years 1962 and 1963 additional man-years of effort will be devoted to these areas commensurate with overall increases in FDA resources.

Many devices on the market today are intended to relieve suffering and cure a variety of ills. Many of these ills are associated with the aging process and thus concern older people. Unfortunately many of these devices do not do what is claimed for them.

Consequently older people suffer both an economic loss and the loss of valuable time and helpful treatment with proven devices by relying on cure-alls and fakes to relieve their suffering. FDA expended about 12 man-years of field inspectional and analytical time in 1961 in the area of fake medical devices. Approximately 45 seizures were made of devices making false and misleading claims.

As in the case of medical quackery, FDA plans to increase its manpower in the area of medical devices as part of its efforts for overall strengthening of the organization to provide better consumer protection.

OFFICE OF EDUCATION

PROGRAM IN EDUCATION FOR THE AGING

During fiscal year 1961, the Office of Education continued and expanded a development program in adult education and aging services. In cooperation with the special staff on aging, the Office accelerated this development program through conferences, publications, consultative services, and through cooperative relationships with National, State, and local educational organizations and groups.

Within 2 weeks following the White House Conference on Aging, the Office assembled a group of nationally prominent educators to review the recommendations developed by the States and the national conference in the field of education. These consultants made an intensive review of the recommendations with a view to defining specific action steps to be taken by the Office of Education in implementing those recommendations judged (by the consulting group) to be the proper concern and responsibility of the U.S. Office of Education. Major emphasis was placed by the consultant group on a recommended series of regional conferences to involve educational groups and forces in: (1) Expanding and improving educational services for older persons, (2) developing better public awareness and understanding of aging problems through educational approaches, and (3) extending effective utilization of the talents and skills of older persons in educational and community services.

The Office of Education acted affirmatively on the recommendations made by the group of nationally prominent educators and mounted a series of seven regional conferences, convened and conducted by seven major universities with the assistance of nine national educational organizations serving as sponsors and with additional "backstopping" by the Library of Congress, the U.S. Department of Labor, and the special staff on aging.

Those universities where regional conferences were convened and those national educational groups who served as sponsors placed the emphasis on developing specific action steps by educational groups and forces directed at the objectives stated above. Each university, through a contractual arrangement with the Office of Education, carried through a regional conference on education and aging services, and submitted a report of the proceedings to the Office of Education. The Office plans to conduct two final regional conferences in fiscal year 1963. Further development of regional and State leadership by the several (already involved) universities and State departments of education will be carried on through workshops and conferences; hence, the major effort will be directed toward encouraging and assisting schools and communities to better serve the educational needs and interests of senior citizens.

In order to extend understanding and knowledge of better practices in the field of education for the aging, the Office published and distributed source materials, case studies, and other materials published by the special staff on aging. Furthermore, through a series of conferences and responses to requests for consultation, the Office provided educational groups and organizations with information about tested practices, needed research, educational materials, and resources available for extending school and community services to older persons.

The cooperative research program of the Office of Education is supporting two projects dealing with the problems of aging and the possible contributions of education in alleviating such problems. The first study has to do with the preparation for retirement through an educational program. The transition from the working status of an individual with a potentially expanding income to the status of a consumer with the same or reduced income represents a period of critical adjustment for most people. The transition is further aggravated by a loss of social status, a vast increase in leisure time, and a decline in health and energy reserve. This study will be designed to determine what effect participation in a group discussion type of preretirement education program will have upon an hourly rated worker. Information will be collected to learn of the changes in morale, attitudes toward retirement, and the planning for the period after retirement among these workers. This type of information will be useful criteria when determining the extent to which similar programs should be developed.

A second study is designed to discover what educational services a college or university could appropriately offer older persons and the extent to which these people are interested in obtaining such services. The results of this study will provide guidance for colleges and universities in developing special programs to help keep older persons mentally alert, economically productive, and socially well adjusted.

OFFICE OF VOCATIONAL REHABILITATION

AGING

I. SCOPE OF PROBLEM

The magnitude of the problem faced by National, State, and local governments and private organizations in assisting and rehabilitating the aged can best be illustrated by figures currently available on the increased number of these individuals in our population.

According to the 1960 census, nearly 53 million people in the Nation are aged 45 or more; 16½ million are 65 years of age or older. It is estimated that by 1980 some 68,400,000 of our population will be age 45 or beyond and that 24,500,000 of these people will be 65 years of age or older.

As the number of older people in our population increases, the number that will need rehabilitation will also increase. In view of this situation, the Office of Vocational Rehabilitation is designing programs not only to rehabilitate vocationally as many individuals as possible now, but also to assist the larger number of individuals who will be needing vocational rehabilitation in the future.

Such an objective is in accord with the 1961 White House Conference on Aging recommendations which urged immediate action to improve and expand rehabilitation programs for our older citizens.

II. NEED OF VOCATIONAL REHABILITATION SERVICES FOR THE AGING

Middle aged and older persons suffer disproportionately from chronic illness and disability, consequently, one of their major concerns is health—both physical and mental. Usually, their economic condition makes it more difficult for them to bear the costs of prolonged medical services than younger persons. Often the care they receive in hospitals or other institutions is custodial rather than rehabilitative. This results in several million of our older citizens being almost solely dependent on others for their support or for meeting the normal demands of daily living. They cannot work, travel, feed themselves, dress, communicate adequately, or move about without aid.

Many could learn again to live their lives independently and with greater dignity if they were provided with modern rehabilitation services. Some could return to work. Others could be assisted to conditions enabling them to care for themselves. Rehabilitation services in either case would benefit not only the disabled person alone but also society as a whole. For example, lost wages would be restored to those who returned to work, industry would regain labor skills, and there would be new purchasing power and tax revenues in the economy. Institutional and welfare costs would often be reduced as some individuals would no longer be dependent or need constant attendance, thereby enabling the community to benefit from decreased expenditures.

III. EXTENT OF DISABLEMENT AMONG AGING PERSONS

National estimates indicate that more than 5 million people in this country, aged 45 and over, have disabilities lasting 3 months or longer.

The Office of Vocational Rehabilitation estimates that approximately 1.5 million of these 5 million long-term disabled people—among them 115,000 persons 65 years of age or older—would need, could benefit from, and would want vocational rehabilitation services in order to return to work. These 1.5 million people have either a chronic disease and/or a physical or mental impairment that constitutes a serious handicap to employment. Their disabilities are long-term rather than temporary in nature; yet their conditions are not so serious or of such a nature that there is little chance to rehabilitate them for work.

The remaining 3.5 million probably cannot be rehabilitated in terms of work, but could, in varying degrees, be returned to self-care and independence through appropriate services. It would lift them from dependency on families, institutions, or public welfare, with consequent benefits to their dignity, relief of growing burdens on institutions, and reduction of public and private costs for their maintenance.

IV. PROGRESS IN REHABILITATION OF THE AGING DISABLED

As a result of modern rehabilitation services, there are many thousands of handicapped middle-aged and older persons at work in every occupational field performing jobs as efficiently and reliably as workers who have no handicap.

Under the State-Federal vocational programs, there has been since 1945 a steady increase each year both in the number of older disabled individuals rehabilitated into gainful employment and in the percent which this group constitutes of the total. In 1945, 7,344 disabled persons 45 years of age and older were rehabilitated into gainful employment in the State-Federal vocational rehabilitation program. This represented 17.5 percent of the total rehabilitated that year. In 1950, 14,127 almost twice the 1945 number, were rehabilitated, representing 23.8 percent of the total rehabilitated during the year. In 1960, the total number of individuals aged 45 and over rehabilitated was 25,674 which represents 29.1 percent of the total number of persons rehabilitated during the year. It is estimated that 27,400 persons 45 years of age and older will have been rehabilitated during fiscal year 1961.

These people are employed in every segment of America's productivity—in large and small industrial firms, on the farms, in retail stores and offices, in the professions, in their own small business, in the many service occupations, and in the important tasks of housewife and homemaker.

Many disabled older people in the white-collar group have entered or re-entered occupations in which there are shortages of competent, professional and technical people, such as in teaching, nursing, social, and welfare work, in the clergy and the laboratory as technicians and assistants. In other groups they are working as office clerks, bookkeepers, secretaries, sales persons, cooks, maids, stewards, hostesses, waiters, beauticians, bakers, tailors, farmers—in short, in every occupation in the Nation.

V. EXTENSION AND IMPROVEMENT PROJECTS SERVING THE AGED

One of the ways in which the States have been most effective in making it possible for more older people to be rehabilitated is through extension and improvement projects provided under section 3 of Public Law 565.

For example, the State of Kansas is providing special diagnostic evaluation services aimed at assisting the older worker to return to productive employment; Michigan is providing special rehabilitation services for the aged; Nebraska has assigned a counselor to serve the aged disabled as well as a counselor to assist in rehabilitation of the aged blind, and Oklahoma has begun a statewide study of the rehabilitation and employment needs of the older worker.

VI. RESEARCH AND DEMONSTRATION PROJECTS SERVING THE AGED

A wide diversity of problems is found among older disabled people. In order to obtain more knowledge about these problems, the Office of Vocational Rehabilitation is helping to support research and demonstration projects relating to this older group. Since 1954, the Office has provided financial assistance amounting to almost \$7 million for 71 such projects. Usually, the sponsors of such projects contribute an additional dollar for every \$2 of Federal grant funds, and to date grantees have invested nearly \$3 million of their own funds in these research and demonstration activities.

In 1961, the Office of Vocational Rehabilitation supported 40 projects with grants estimated at over \$2 million. All of these projects were developing new methods and techniques for dealing with the problems of disability among older disabled individuals. For example, a project in New York City pioneered in demonstrating that disabled older workers could be successfully retrained and placed in employment. Altogether, 197 handicapped men over 60 years of age were placed in competitive industrial employment. The oldest individual placed was over 80. The results of this project were so good that seven similar projects have been established in Kansas City and St. Louis, Mo.; St. Paul and Mankato, Minn.; Milwaukee, Wis.; Miami, Fla.; and the Virgin Islands. In September 1961 representatives of these projects attended a 2-day conference in New York City at which the training and placing of older handicapped workers in employment were discussed.

A number of projects are seeking to assist older people confined to institutions and nursing homes to become as self-sufficient as possible. For some, this would mean a resumption of a normal place in community life.

In the State of Washington an OVR-sponsored project to rehabilitate the chronically ill confined to nursing homes was very successful. An elderly woman unable to respond, walk, or feed herself was committed by her family to a mental hospital and remained for 18 months. She was released to a nursing home and after 6 weeks of intensive treatment by the staff was able to respond, feed her-

self, and walk. She was subsequently returned home and her family was delighted and amazed at her progress.

The University of Michigan and the Illinois Public Aid Commission developed special staff training techniques and rehabilitation methods applicable in public and private nursing homes.

All of the research and demonstration projects have a common goal—finding new techniques and methods for restoring maximum functional or earning capacity to older disabled people.

VII. TRAINING

Since it is anticipated that a higher proportion of older disabled persons will require rehabilitation services, more of the training resources of the Office of Vocational Rehabilitation are being devoted to increasing the proficiency of rehabilitation personnel in relation to the older disabled person. The Office is supporting special institutes in geriatric rehabilitation in a number of our universities.

For example, the Department of Physical Medicine and Rehabilitation of the New York Medical College Metropolitan Hospital Center conducted a 2-week course on the principles and practices of geriatric rehabilitation for registered nurses, occupational therapists, physical therapists, and social workers.

In the spring of 1961 the State University of Iowa conducted two short-term training courses on techniques and methods of counseling the older disabled worker. In September 1961, the University of Utah Rehabilitation Center, in cooperation with other local agencies, conducted a workshop for professional personnel in the Salt Lake area designed to provide an educational opportunity and to create a positive attitude toward rehabilitation for those who care for aged and chronically ill persons in nursing homes.

In the past, workshops have been held in California, Arizona, Oregon, Texas, Mississippi, and West Virginia in order to bring together community agencies for a cooperative attack on problems of service to the aging. Future plans call for such workshops to be held in additional States for this same purpose.

VII. REVIEW OF REHABILITATION OF THE AGING, 1959-63

A. Expenditures for rehabilitation of the aging, fiscal years 1959-63 (estimate)

1. State vocational rehabilitation agencies: Persons 45 years of age or over at acceptance rehabilitated—fiscal years ending June 30, 1959-63:¹

Age at acceptance	Number of rehabilitants in fiscal year—				
	1959	1960	1961	1962	1963
All rehabilitants.....	80,739	88,275	92,501	100,000	110,400
Number of rehabilitants age 45 years and over at acceptance.....	24,275	25,674	27,400	30,200	33,800
Percentage of rehabilitants age 45 years and over at acceptance.....	30.2	29.1	29.6	30.2	30.7

¹ The total number of rehabilitants are actual for fiscal years 1959, 1960, and 1961; for fiscal years 1962 and 1963 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants in the various disability groups are actual for fiscal years 1959 and 1960; for fiscal years 1961, 1962, and 1963, they are estimated on the basis of the proportion in the group for the preceding 5-year period.

2. State expenditures for the older handicapped person:

Fiscal year	Number of individuals aged 45 and over rehabilitated	Federal share of the cost
1959.....	24,275	\$12,250,000
1960.....	25,674	13,000,000
1961.....	27,400	16,375,000
1962.....	30,200	19,450,000
1963.....	33,800	22,350,000

3. Extension and improvement projects serving the aged:

State	Title of project	Fiscal year	Federal grant
Kansas-----	Services for a special group of diagnostic evaluation at the Hadley Memorial Rehabilitation Center to return the older worker to productive employment.	1961 1962	\$9,555 13,600
Michigan-----	Special rehabilitation services for the aged-----	1961 1962	52,051 31,488
Nebraska-----	Assignment of a counselor to serve the aged disabled-----	1961 1962 1963	7,658 7,644 7,658
Nebraska-----	Assignment of a counselor for the rehabilitation of the aged blind.	1961 1962	3,829 3,822
Oklahoma-----	A statewide study of the rehabilitation and employment needs of the older worker.	1961	18,898

4. Research and demonstration projects expenditures:

Fiscal year	Research and demonstration projects	Selected demonstration projects	Estimate, new projects	Total
1959-----	\$445,437	\$147,320	-----	\$593,000
1960-----	585,081	205,212	-----	790,000
1961-----	1,474,676	283,074	-----	1,758,000
1962-----	1,854,091	152,250	-----	2,006,000
1963-----	1,751,000	166,000	\$550,000	2,467,000

5. Short-term training course expenditures:

	1959	1960	1961	1962	1963
New York Medical College-----	\$13,961	-----	-----	-----	-----
University of Mississippi-----	1,010	-----	-----	-----	-----
San Diego State College-----	2,575	-----	-----	-----	-----
University of Connecticut-----	-----	-----	\$2,020	-----	-----
University of Iowa-----	-----	-----	9,700	-----	-----
University of San Francisco-----	-----	-----	1,257	-----	-----
University of Utah-----	-----	-----	-----	\$3,750	-----
Estimate-----	-----	-----	-----	-----	\$25,000
Total-----	17,546	-----	12,997	3,750	25,000

B. Accomplishments

1. *Research*.—Although many economists and labor experts agree that the older worker has valuable skills and talents which can be utilized, unfortunately, many employers and a large portion of the general public are not convinced of his ability, much less the ability of the older handicapped worker, to produce in competitive employment.

The Office of Vocational Rehabilitation is attempting to counteract this point of view through research projects designed to present facts on the older disabled worker's productivity. For example, projects are now being conducted in Florida, Colorado, Massachusetts, Michigan, and Texas geared to train and place the older handicapped worker into competitive industrial employment.

The New York project previously referred to which pioneered in demonstrating the feasibility of vocationally rehabilitating handicapped workers, aged 60 and above, and proved so worthwhile that seven other demonstration projects currently in operation were adapted from it, is engaged in a new project to promote employment of the aging disabled; also, plans are completed for two additional demonstrations to be adapted from the original project in the near future. Results of these studies, plus results obtained from other OVR supported projects, will provide tangible evidence regarding the adjustment and performance of the older handicapped worker on the job.

A number of research and demonstration projects are designed to assist older people confined to nursing homes to become as self-sufficient as possible and to train nursing home personnel in modern rehabilitation techniques that can be applied to older persons under their care.

2. *Jobs for the blind.*—The Office of Vocational Rehabilitation puts forth sustained efforts to open greater job opportunities for the blind including the expansion of vending stand opportunities under the Randolph-Sheppard Act. Over half of the vending stand operators are 45 years of age and over.

3. *Jobs for the deaf.*—As the inroads of automation have their impact upon the employment of the large numbers of older deaf workers in skilled and semi-skilled occupations, efforts should be increased to emphasize retraining and reemployment.

4. *OASI.*—The disability provisions of the Social Security Act in 1954, and as subsequently amended, have been a factor in the growth of the number of older people being served. Annually, about 400,000 applicants for disability benefits are referred by the Bureau of Old-Age and Survivors Insurance to the State vocational rehabilitation agencies for possible vocational rehabilitation services. An increasing number of these applicants are being provided with rehabilitation services, including many individuals from older age groups.

Under the OVR research and demonstration program, three major projects concerned with the development of improved medical and vocational evaluation techniques are being conducted in Louisiana, Ohio, and Minnesota. In addition, there are 11 recently approved demonstration projects designed to determine the extent to which the older and severely disabled persons may benefit from the provisions of vocational rehabilitation services.

C. Future plans

1. *Research and demonstration.*—In order to make progress in rehabilitating older disabled people it is necessary to have factual data. Such data is obtained primarily from research through which methods and procedures for various types of rehabilitation services are discovered, developed, and adapted for use.

It is planned to continue emphasis on research projects and conduct demonstrations throughout the country which will illustrate the techniques or findings of research projects. Such demonstrations will serve to illustrate that with proper evaluation, training, and placement many older people can return to work, or with other assistance achieve greater independence.

2. *Training of personnel.*—There is an urgent need to orient hospital, nursing home, and other institutional personnel in modern methods of rehabilitative care and techniques. Thus, training programs in the field of aging for professional and technical personnel working with older disabled people should be expanded.

There is, of course, the need to expand the basic professional training programs in rehabilitation for physicians, occupational therapists, physical therapists, rehabilitation counselors, speech and hearing therapists, and other specialists concerned with rehabilitation of the disabled.

3. *Community resources.*—It is of the utmost importance to establish services in the community for postinstitutional care of the aged who are ill, also services to sustain disabled individuals after restorative medical care and prevent or reduce the need for institutionalizing persons who could be maintained in their homes. There is also a need to promote job opportunities for the aged disabled among local employers, to develop business orders for rehabilitation facilities, to establish recreational programs, friendly visitor programs, and other projects.

As our aging population increases, the demand for various types of services becomes greater, necessitating plans for expanded program operations and increased financial assistance to make program expansion possible.

The Office of Vocational Rehabilitation will continue to put forth sustained efforts to provide improved services for more aging disabled people in order that they may be able to be vocationally rehabilitated and/or help themselves realize their full potential.

Financial support for aging

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1952	Fiscal year 1963
Number of rehabilitants.....	24, 275	25, 674	27, 400	30, 200	33, 800
Grants to States.....	\$12, 250, 000	\$13, 000, 000	\$16, 375, 000	\$19, 450, 000	\$22, 350, 000
Research.....	593, 000	790, 000	1, 758, 000	2, 006, 000	2, 467, 000
Training.....	17, 546		12, 997	3, 750	25, 000
Total, Office of Vocational Rehabilitation.....	12, 860, 546	13, 790, 000	18, 145, 997	21, 459, 750	24, 842, 000

BUREAU OF STATE SERVICES

The White House Conference on Aging highlighted the need for the development of various types of out-of-hospital services which make it possible for older persons to remain in their own homes as long as possible as well as for programs which enable older persons to maintain health status and to restore function. In addition, expansion and improvement of institutional facilities and services needed by older persons was recommended. Many of the White House Conference work groups urged that project grant authority be given to the Public Health Service so that communities could be helped to initiate and develop new health services and to discover more effective ways of providing these services to older persons.

In October 1961 the Community Health Services and Facilities Act (Public Law 87-395) was passed by the Congress and signed by the President. The intent of this new law is to assist States and communities in initiating, expanding, and improving community health services and facilities for the aged and the chronically ill.

Two provisions of Public Law 87-395 are directed to community services for the aged and chronically ill. One provides authorization for matching grants to States to assist in establishing and maintaining community health services. These grants are based on a formula which considers the population over 65 and the financial need of the State. The other authorizes a new program of up to \$10 million annually for special project grants for studies, experiments, and demonstrations of new or improved methods of providing health services outside of hospitals. These project grants can be awarded to public and nonprofit organizations.

The primary goal of the chronic disease and aging programs of the Bureau of State Services is to improve and extend preventive measures, total patient care, and health-related services through organized community efforts. More specifically this goal is reached through:

- Prevention and control of chronic diseases through application of screening techniques, periodic health appraisals, and other health maintenance measures.

- Prevention and control of disability by early effective application of restorative services.

- Improvement of care in long-term facilities of all types.

- Improvement of care services to patients in their homes.

- Organization of existing and development of new community services for their most effective use.

SERVICES AND BENEFITS TO OLDER PERSONS

Assistance is given to State and local health departments in the development of programs for the control of chronic diseases, the reduction of disability, the improvement of patient care, and the promotion of positive health. This assistance is made possible through Federal funds for studies and demonstrations and administration of programs, consultative services, and the loan of personnel, equipment, and materials.

Formula grants-in-aid for assisting communities in the provision of a broad range of health services for their aged and chronically ill are authorized by the Community Health Services and Facilities Act of 1961. For fiscal year 1962 the sum of \$6 million is being made available to States for this purpose. On an individual State basis, the allocation of these funds range from \$40,000 to \$417,900.

In addition, grants-in-aid for heart disease control and cancer control are provided the State health departments. The total annual amounts available in fiscal year 1962 are \$3,500,000 for cancer and \$5 million for heart disease. All of the above grants-in-aid are matched by State funds.

SERVICES TO GROUPS AND OFFICIALS

The Bureau offers official and voluntary health agencies assistance in their program planning, development, and evaluation by:

- Consultative and technical assistance.

- Assignment of personnel and loan of equipment and materials.

- Developing standards and guidelines.

- Undertaking surveys and operational studies to obtain data upon which to base programs.

Collecting and disseminating information concerning chronic disease and aging.

Providing training opportunities for professional groups.

Developing materials and visual aids and other aids for educational programs.

With the cooperation and assistance of National, State, and local professional groups and voluntary organizations, the Bureau has been instrumental in the development of services and programs for the older person. Among the many activities in this area a few specific examples are described below:

NURSING HOME CARE

The broad objective of this program is the improvement of care of individuals in nursing homes and related institutions. A nursing home standards guide for use by State and community health agencies was developed. The guide, before issuance, was reviewed by more than 70 professional, voluntary, and official groups. The long-term illness program conducts training programs and seminars for nursing home personnel and organizes demonstrations of hospital-nursing home relationships. During fiscal year 1962, a film called "Working Together" based on the first year of operation of these demonstrations in 10 locations was produced.

PREVENTION AND CONTROL OF DISABILITY THROUGH EARLY AND APPROPRIATE TREATMENT

Disability has become one of the most important public health problems affecting our aging population. The early detection and vigorous treatment of disabling illnesses have been shown to be effective in preventing much of the subsequent disability. Programs for the early detection of diabetes, of vision loss, of hearing loss, of cervical cancer, and of cardiovascular conditions have primary focus on disability prevention. In addition, programs for the restoration of function for those disabled primarily from strokes and arthritis have been developed, utilizing techniques presented in two recently developed Public Health Service publications, "Strike Back at Stroke" and "Strike Back at Arthritis." A number of States and communities are now initiating programs providing restoration services for victims of strokes, arthritis, and other disabilities.

HOME HEALTH CARE SERVICES

With the emphasis provided by the White House Conference on Aging and subsequent congressional action in providing additional funds for the development of out-of-hospital services for the chronically ill and aged, the number of community programs which provide home health services will increase substantially. Forty-one community projects have been approved in 23 States. These include 7 coordinated home care projects; 6 homemaker service projects; 16 projects for providing nursing care of the sick at home; 7 projects to establish central information, referral, and counseling services; and 5 projects for improvement in services provided by nursing homes. Institutes and training programs for home health care personnel are being developed and conducted.

CENTRAL REFERRAL SERVICES FOR THE CHRONICALLY ILL AND AGED

Because of the complexity of problems and the multiplicity of services required, coordination is needed to better utilize existing community resources and to achieve continuity of care for the chronically ill and aged. Eight of these projects are now being partially supported by the Public Health Service and the number can be expected to increase. This central referral and information service provides counseling services to help patients and their families find and use appropriate health and social services. Community planning activities are being stimulated and gaps in community services are being identified.

NURSING CARE OF THE SICK AT HOME

The Division of Nursing continued its efforts to promote and encourage local health agencies to develop programs providing nursing care to the sick and disabled, including aged persons, in their homes. This is done through technical assistance and consultation provided by both regional nursing consultants and headquarters staff. The Division of Nursing, jointly with the Division of Public Health Methods and the Bureau of Family Services of the Social Secu-

rity Administration, developed a brochure, "Medical Assistance for the Aged and Nursing Services in the Home," for distribution to both health and welfare agencies nationwide. This brochure has been helpful to a number of health and welfare departments in developing cooperative programs for care of the aged. The Division of Nursing also collects and publishes data on the number and distribution of agencies which provide nursing care of the sick at home, including the aged, in the larger cities of the United States.

DENTAL CARE FOR INSTITUTIONALIZED AND HOMEBOUND CHRONICALLY ILL AND AGED

During calendar year 1961, the Division of Dental Health and Resources completed the clinical phase of a 4-year project in which a prototype program for the provision of dental care for institutionalized and homebound chronically ill and aged was developed and administered in the Kansas City metropolitan area.

Generally speaking, only limited provisions have been made for providing dental care for chronically ill and aged persons because (1) dental practice as it exists today ordinarily does not provide mobile service, (2) of lack of portable equipment, (3) of the reticence on the part of the dentist to perform dental operations on chronically ill and aged persons, and (4) there is little or no information about the extent of the dental needs of this group of people.

A roster of more than 7,000 chronically ill persons was completed. From this list a representative sample of 4,000 persons was selected to receive dental examinations to determine the prevalence of dental disorders in this group. More than 1,500 persons were treated under the program, the majority in the clinical facilities provided by the University of Kansas City Dental School. Transportation was provided for those unable to come to the clinic on their own.

The use of newly designed portable dental equipment made it possible to treat more than 100 patients in their own homes or nursing homes. Some of this portable equipment was produced by leading commercial manufacturers; some was developed or adopted from existing equipment by members of the staff.

The program has been broadened to include the training of dental and dental hygiene students at the University of Kansas City in methods of caring for institutionalized and homebound chronically ill and aged. Each student received three orientation lectures followed by practical experience divided between the clinic and the home. The training aspects of this program have been continued to provide field experience for dental and dental hygiene students at the university in the dental care of chronically ill and aged. Special lectures have been incorporated into the undergraduate curriculums and plans are being developed for postgraduate courses as well.

CONSTRUCTION OF HEALTH FACILITIES

One of the primary aims of the Hill-Burton program conducted by the Division of Hospital and Medical Facilities is to stimulate the construction of such health facilities as are necessary to provide an efficient and well coordinated network of services for those aged persons in need of acute care, long-term care, outpatient care, and rehabilitation. While aged persons, like other segments of our population, require acute care as inpatients and outpatients of general hospitals as well as other health services, a crucial need exists for a larger volume of long-term-care beds providing skilled nursing services under medical supervision. For this reason, the Community Health Services and Facilities Act of 1961 (Public Law 87-395) enacted during the last session of Congress, among other things, doubled the appropriation authorization for construction of nursing homes from \$10 to \$20 million annually.

Substantial demands are made by aged persons for care in health facilities. For example, a recent Public Health Service study showed that persons aged 65 and over stayed an average of 14.7 days in general hospitals compared to 8.6 days for all ages. Also, almost one-half of the aged population reported some limitation of activity due to chronic conditions. Health facilities of all kinds, including nursing homes and rehabilitation facilities, needed to treat these conditions are being constructed in increasing numbers by public agencies, nonprofit organizations, and private groups.

As of June 30, 1961, facilities provided under the Hill-Burton program which are important for the physical and mental care of older people include over 33,000 long-term care beds, 22,000 mental beds, 191 rehabilitation facilities, and 411 diagnostic and treatment centers. In addition, 174,000 short-term general

hospital beds and 862 public health centers have been provided to help most the medical needs of older persons as well as the general population. In recognition of the need for additional health facilities for all population groups, including the aged, the appropriations for construction of such facilities under the Hill-Burton program reached an all-time high of \$209,728,000 for fiscal year 1962. The amount of \$38.5 million was appropriated for construction of long-term care facilities, i.e., nursing homes and chronic disease hospitals, \$14,228,000 for diagnostic and treatment centers, and \$7 million for rehabilitation facilities. In addition, \$150 million was made available for hospitals and public health centers.

Grants are available on a variable matching basis for the construction of hospitals, public health centers, nursing homes, diagnostic and treatment facilities, and rehabilitation facilities—all of which provide care for the aged population as well as other population groups. In addition, the following services are available which are of value to the health care of the aged.

(a) Technical and professional consultation regarding all aspects of facility planning, design and construction, is available to States, public agencies, and nonprofit organizations.

(b) Guide material relating to the planning, design, equipping, and construction of health facilities, is developed and distributed.

The Public Health Service is jointly sponsoring with the American Hospital Association an ad hoc committee to develop principles and recommendations on planning facilities for long-term patient care. The committee is seeking to develop principles and guidelines that will be helpful at the National, State, and local levels in developing plans to provide adequate facilities for long-term care in coordination with the total health program of communities.

TRAINING

The Bureau of State Services is providing training opportunities for personnel needed to carry out programs for the aged through the public health traineeship program (sec. 306, PHS Act). The 607 professional workers who received awards to support graduate training under this program during fiscal year 1961 included physicians, nurses, nutritionists, medical social workers, medical care administrators, and others having an interest in the chronically ill and aged. Schools of public health are expanding their teaching programs in the area of medical care for the chronically ill and aged as a result of the increase from \$1 million to \$1,173,000 in the amount available for grants for public health training (sec. 314(c) (2), PHS Act). In addition, some projects were begun in 1961 under the new program of project grants for graduate training in public health (sec. 309, PHS Act). Included among the grants to strength or expand programs of graduate training were the following:

Boston University School of Nursing---	Public health nursing for the aged.
Harvard University School of Public Health.	Medical care administration.
University of Michigan School of Public Health.	Medical care problems.
University of Michigan School of Public Health.	Nurses and prepared medical programs.
Western Reserve University School of Nursing.	Rehabilitation and care of the chronically ill.

RELATIONSHIPS

The above services reach local communities via the regional offices of the Department of Health, Education, and Welfare and State health departments. Grants-in-aid are distributed to State health departments and are utilized in accordance with a State plan. In addition, studies and demonstrations are supported by the Bureau through contractual and cooperative agreements with and through project grants to public and nonprofit organizations. The approval and cooperation of the appropriate health department is an essential ingredient in the conduct of such projects.

SUMMARY OF NATIONAL INSTITUTES OF HEALTH RESEARCH IN AGING, 1961

INTRODUCTION

The White House Conference on Aging, held early in 1961, focused additional national attention on the increasing number of older people in our population. Since 1900 the number of persons reaching the age of 65 has risen from 3 million to about 17 million. This is a jump of from 4 to over 9 percent of the total population.

As the number of people in the older age group has increased, so have the medical, social, economic, physiological, and psychological problems associated with aging. Parallel with this has been an increase in the amount of scientific investigation into such questions as how the various components of the body age, what changes occur in the functional systems of the human organism with advancing years, whether or not there is deterioration in the intellectual capacity of the older individual. There has been an increased emphasis on studies of the diseases which appear more frequently in older persons—cancer, heart disease, arthritis.

The National Institutes of Health, both through its intramural and extramural research programs, is contributing to this store of knowledge about the process of aging. The purpose of this document is to report on those programs of research in aging which are being supported in three broad areas: the behavioral and social sciences, the clinical sciences, and the biological sciences.

INTRAMURAL ACTIVITIES

The process of aging starts before birth and ends with death. Thus any study of the phenomenon of life, of human growth and development, and of the diseases that affect mankind has a bearing on the study of aging. Two intramural programs of research at the National Institutes of Health are devoted specifically to the study of aging: the Gerontology Branch of the National Heart Institute and the Section on Aging of the National Institute of Mental Health.

In addition, investigations carried out by all of the Institutes affect in varying degrees the health and well-being of the aging person. These include research on the chronic disorders, such as heart disease, cancer, arthritis, blindness, mental illness, metabolic and dental disorders, as well as the infectious diseases.

Gerontology Branch, National Heart Institute

The Gerontology Branch was established in 1941 to initiate one of the first programs in gerontologic research in this country. Housed in the Baltimore city hospitals, it grew and developed as a part of the scientific and total community there, enjoying close cooperation and opportunities for valuable collaboration with the hospitals, the John Hopkins Medical School, and the University of Maryland Medical School.

An appropriation of \$1 million was made in fiscal year 1962 for planning a new research building on land adjacent to the Baltimore city hospitals. The new building will provide an unusual opportunity for the concentration of research on the problems of aging and will relieve congested laboratory conditions at the hospitals.

The present staff includes investigators trained in zoology, biochemistry, embryology, physiology, biophysics, medicine, nutrition, and psychology—and a supporting staff of trained technicians. This competent staff investigates all aspects of gerontology from the basic biologic processes of aging to the effects of aging on the total performance capacity of the individual.

Studies on cellular enzymes reveal that some enzymes concerned with energy production show decrement with age. Further work is in progress to determine methods for maintaining the activity of these enzymes.

In simpler animal forms and in tissue culture, the aging characteristics of the individual cells may be observed. In investigations of the biologic mechanisms of aging, studies of the fruitfly indicate that the rate of aging can be augmented by increasing the environmental temperature.

Long-range studies began in 1957 to record the aging process in normal persons living active lives in their communities. About 400 men, aged 24 to 99 years,

spend 2 days every 18 months undergoing a series of psychological, physiological, and biochemical tests. Although the study is just beginning, certain facts about aging have already come to light.

For example, there is no evidence for sudden breakdowns in performance capacity at a certain age. Age changes accumulate slowly over the entire life span. Disability is not necessarily associated with aging. Many persons retain their vigor even into advanced ages.

Older persons, if they have the necessary dietary elements, can form new tissue and replace calcium in their bones. Learning ability is not lost in old age. With proper motivation, older persons can learn new tasks, but it may take them longer, and complex tasks need to be broken down into simpler units. Older persons are more susceptible to distracting factors than are younger ones. They are also slower in making adjustments.

Although increasing age is associated with a reduction in muscular strength, this is due in part to atrophy from disuse. Muscles that are used daily show little decrement with age. The amount of blood pumped by the heart diminishes with age, but it is adequate for normal activities. Different organs of the body wear out or break down at different times in the lifespan; and there are wide variations among individuals as to when this occurs.

A complete list of papers published or delivered by members of the staff appears at the end of this report in appendix A.

National Institute of Mental Health

Research on aging is carried out in the Institute's Section on Aging and through its collaboration with the Laboratory of Clinical Science and the Laboratory of Social Environmental Studies.

Current experimental studies carried out in the Section on Aging involve both humans and lower animals. The facilities of the Section are organized for research on behavioral capacities in relation to age and to concomitant physiological changes. The Section continues to have two primary foci: (1) the gathering and organization of information on behavioral and physiological changes of aging, (2) investigation of impairments in higher cognitive functions in man, and their modification.

A completed analysis of data obtained during the past 2 years suggest that the age change in slowing of response tends to have the attribute of a general psychological process. That is, whereas young adults tend to show task-specific adjustment of response speed, older persons tend to have a speed of psychomotor performance more characteristics of them as individuals. The principal data on which these conclusions are based were obtained from the use of an apparatus designed and constructed at the NIMH, called the Psychomet. Publication of the findings will be in the next issue of the journal *Gerontologia* under the title: "Age Differences in Response Speed as a Function of Controlled Variations of Stimulus Conditions: Evidence of a General Speed Factor."

Because of the implications of the findings and their relevance to psychophysiological changes in the normal adult, the Federal Aviation Agency requested and was granted the use of the apparatus in their current research on aging in civil airplane pilots. That agency has completed the examination of 160 subjects using the apparatus and the results are now being analyzed in cooperation with the Section on Aging and the Biometrics Branch. Preliminary results also indicate significant age trends in the psychological measurements. Surprising is the fact that the trends are appearing in relatively young healthy men. The further analysis of the data as well as new studies will explore possible physiological bases for the changes. The suspicion that the observable behavioral changes may precede later-to-appear physiological changes is of considerable importance. Thus there is the research problem of determining the extent to which the behavioral changes of advancing age are premonitory and predictive of length of life and disease states.

A comparison of two contrasting age groups of adults with respect to their performances on the standard problems programed by the logical analysis device (LAD) revealed a striking impairment of heuristic, i.e., inquisitive, behavior in the aged. Additional tests with special, simplified LAD problems failed to bring this form of task within the capacities of the older subjects. During the current year a heuristic evaluation and logical problem programing device was constructed in the section and preliminary observations were made at several levels of difficulty on young and old normal adults, on schizophrenics, and on children.

It is not clear what, if any, is the role of speed in the previously reported substantial age differences in logical problems solving. It is expected that present work will make further contributions toward the delineation of the mechanisms of aging in the central nervous system and behavior, particularly with regard to higher cognitive processes.

Nearing the completion is a followup study of a group of men over the age of 63 who have been intensively studied from psychiatric, psychological, social, medical, and physiological points of view. The report of the initial work is now in final draft by the collaborating investigators from the Laboratory of Clinical Sciences, Laboratory of Social and Environmental Studies, and the Section on Aging. Findings show a relation of health to psychological functioning. However, certain changes such as those noted in the individuals' social relations and in particular mental capacities do not stand in a simple 1-to-1 relation with measured physiological changes. Analysis of the recently obtained longitudinal data will throw light on some of the supposed cause-and-effect relations in the mental and physical well-being of older persons.

A complete list of papers published or delivered by members of the staff appears at the end of this report in appendix B.

EXTRAMURAL ACTIVITIES

Division of General Medical Sciences

The Division of General Medical Sciences supports a variety of projects for aging research including three large multidisciplinary centers for aging research located at Brown University, Providence, R.I.; University of Miami School of Medicine, Miami, Fla.; and Western Reserve University, Cleveland, Ohio. Through these and other projects, the division is carrying out a program primarily aimed at developing more information on the basic biological nature of the aging process in the cells and tissues of the body, in organs, and as related to enzymes and hormones. The work also includes investigations into the importance of genetics in the character of the aging process and in the longevity. Studies on the influences of nutrition and on the effects of man's living and working environment also are being supported, along with investigations into better rehabilitation techniques for older persons.

Among the projects related primarily to aging being supported by the Division are studies for establishing criteria for nursing care required by patients with selected health problems and the major disease conditions usually cared for in the nursing home, anesthetic and postoperative care for the geriatric patient, the utilization of health and allied services by older persons, methods of rehabilitating the aged, and longevity of the offspring of the long-lived. In addition to these, there are medical and biological studies on the biochemical criteria for senescence in tissue, the aging process at sea level and high altitudes, vascular changes in joints due to low oxygen tension, the effect of age and ionizing radiation on collagen, genetic aspects of radiation induced aging, responses of bone to change in age and function, biology of the aging skin, studies on connective tissues, effect of changes in enzyme levels on life span, hormones in development and aging of tissues, and many others.

The NIH Center for Aging Research is a branch of the Division of General Medical Sciences. The report of this unit follows:

Center for Aging Research.—The Center for Aging Research, established in 1956 and now a part of the Division of General Medical Sciences, serves as the focal point in the National Institutes of Health for research in aging. Specifically, the Center stimulates and assists the development of new research projects in gerontology at universities, medical centers, and various other research institutions in this country and abroad; maintains liaisons with the NIH intramural and extramural programs, with other bureaus and divisions of the Department of Health, Education, and Welfare, and with other Federal agencies and organizations supporting programs in aging; fosters the training of additional research personnel; collects and disseminates data related to research in aging; and sponsors conferences, symposia, and seminars on research and training problems in the field of aging. Through its review of grant applications to the NIH and annual tabulation of active research projects, the Center functions to point up areas in the field of gerontology needing new or additional emphasis.

Six percent of the total NIH grants to scientists in other countries were for research in aging. Currently, there are 25 active projects in 14 countries: Belgium, Canada, Chile, England, France, Italy, Israel, Japan, Puerto Rico, South Africa, Sweden, Switzerland, the Netherlands, and Yugoslavia.

The rapid increase in the number of NIH-supported projects reflects the developing interest of competent researchers in this field. A current analysis of these projects shows that more research emphasis on the psychological and social aspects of aging is needed. Presently, the majority of all research projects in aging relate to the physiological and biological aspects of aging.

The Center seeks to coordinate the many activities in the field of aging research conducted or supported by the various Institutes and the Division of General Medical Sciences, National Institutes of Health. It also maintains liaison with other Divisions of the Public Health Service and constituents of the Department of Health, Education, and Welfare which have an interest in this area. During the year the Center worked with members of the Federal Council on Aging—including the Department of Health, Education, and Welfare—the Department of Agriculture, U.S. Civil Service Commission, Department of Commerce, Housing and Home Finance Agency, Department of Labor, Small Business Administration, Department of Treasury, Railroad Retirement Board, and the Veterans' Administration.

One of the most important cooperative projects assisted by the Center was the White House Conference on Aging. Ten other national meetings were participated in by Center personnel.

Through fostering the development of university and medical school centers of research in aging, the Center hopes to bring additional investigators into the field of gerontology. Such multidisciplinary units offer better opportunities for organized training programs or on-the-job training.

A function of the Center which is receiving major emphasis is the collection and dissemination of information to the professions and the general public. In addition to its three annual publications, "Activities of the National Institutes of Health in the Field of Gerontology," "Research Highlights in Aging," and "Research Programs in Aging," the Center distributed several mimeographed pre-publication editions of Russian translations; a new brochure for general practitioners and others, "The Aging Patient"; White House Conference publications; and numerous miscellaneous materials on aging and the aged.

The response to the brochure, "The Aging Patient," was so notable that a series of these documents is now planned. A second volume on the cardiovascular diseases of the elderly is now being prepared for publication. This series features staff members of the large multidisciplinary centers for aging research giving the latest research information available to a general practitioner through the means of a roundtable discussion.

An exhibit on the functions of the Center was shown at four national meetings: American Public Health Association, American Hospital Association, American Medical Writers' Association, and Federation of American Societies for Experimental Biology, and at the NIH Clinical Center.

The information program of the Center also includes preparation of press releases and announcements, the dissemination of background information to press, radio, and television producers, and the dissemination of background information to editors and free-lance writers. Several companies making films on aging received background information and materials from the Center.

At the conclusion of this report are five tables covering the growth of the grant program in aging, reflecting the activity of each Institute and the Division of General Medical Sciences, since 1958.

Interdisciplinary research centers.—Included among the many grants for extramural research in aging are the five major multidisciplinary centers for aging research located at Duke University, Durham, N.C.; Albert Einstein College of Medicine, New York City; Western Reserve University, Cleveland, Ohio; University of Miami School of Medicine, Miami, Fla.; and Brown University, Providence, R.I. The Center for Aging Research assisted in the programing for each of these centers.

Duke University: Duke's center, now in its fourth year, has launched more than 30 new research projects. These range from a study of the interdisciplinary health team, preretirement counseling, the aging nervous system, and coronary artery disease in relation to age changes, to studies of amino acid and fatty acid metabolism in relation to age, and intervertebral connective tissue alterations with age. Detailed progress reports, and more than 30 scientific publications have resulted from the program.

Monthly seminars on aging are presented by prominent visitors, and are published annually.

About 20 scientists at the pre- and post-doctoral level are participating in the program and are receiving training.

In addition to the support by grants from the National Institute of Mental Health and the National Heart Institute, the program is also receiving support from the Ford Foundation. The Ford grant provides support for sociologists to extend their work into those aspects of aging not so directly related to health.

Albert Einstein College of Medicine: The unit for research in aging at the Albert Einstein College of Medicine is conducting studies concerned with connective tissue changes with age, membrane physiology, genetic factors in aging, blood coagulation, arterial wall metabolism, aging of the red blood cells, and a variety of other studies, including problems of aphasia, emphysema, and rehabilitation. The manifestations of aging at the transition period between adolescence and adulthood are being studied.

Two seminar programs are conducted, one for investigators, and one for the entire school.

Sixteen studies are under way, and nine individuals are receiving predoctoral or postdoctoral training in the program.

The facilities in the Van Etten Hospital, including both the wards and research laboratories, represent cooperative support from both the NIH through the National Institute of Mental Health, the National Heart Institute, and the National Institute of Arthritis and Metabolic Diseases, and the city of New York.

Western Reserve University: This program is seeking to coordinate research in biochemical, biophysical, and clinical aspects of aging; to stimulate interest in aging on the part of medical students, house staff, and developing investigators; to serve the Great Lakes region as a resource for information relating to aging; and to develop a measure of "functional age" in the individual.

Two chronic disease hospitals are furnishing subjects for investigation. At present, the first year's funds are committed to about a dozen projects, several of which are unique—for example, studies of aging in human placental tissue—and involve collaboration by several disciplines.

This center is supported by a grant from the Division of General Medical Sciences.

University of Miami School of Medicine: The novel characteristic of this program relates to its coordinated approach to the study of aging in the nucleus, cytoplasm, cell membrane, and intercellular substance.

In addition, comparative studies of model systems of aging in the various species are being launched. For example, in the undergraduate university, botanists are tackling the mechanism of aging in plant life, while in the medical school, scientists in the preclinical disciplines are studying aging in various species of vertebrates, and in the marine biology laboratory, certain invertebrates and lower vertebrates are receiving attention.

Plans call for the expansion of the program at the clinical level.

This center is supported by a grant from the Division of General Medical Sciences.

Brown University: This is the newest of the five centers and receives its support through a grant from the Division of General Medical Sciences.

The initial emphasis in this program is on the socioeconomic factors associated with aging, and the assessment of the relationship between these factors and the medical and biological aspects of aging and old age.

Investigators have the unique opportunity to utilize a well-defined population group within the compact borders of the State of Rhode Island for this study. The departments of economics, sociology and anthropology, biology, and psychology, all currently engaged in aging research, are contributing to the project. The hospital facilities in the community are being used for clinical research purposes.

National Heart Institute: Changes in the heart muscle and in blood vessels caused by aging have far-reaching effects on total human performance. Realizing this, the National Heart Institute became a pioneer in the support of gerontologic research and developed one of the most comprehensive programs of scientific investigation into aging. This vital research activity provides a background of gerontologic knowledge and productive research studies that make it a national and international resource in the field.

The projects supported by NHI range from basic research on aging in such short-lived lower organisms as the paramecium to integrated cooperative studies of elderly persons. Scientists are investigating the influence on the aging process of diet, heredity, changes in hormone production, and changes in connective tissue, as well as the mechanism of cardiac failure in persons over 65 years and the rehabilitation of elderly cardiovascular patients.

The National Heart Institute, working with the Atomic Energy Commission and the American Institute of Biological Sciences, continues to support research conferences on the relationship between radiation and aging. Highlights of some of these meetings were published in July 1961 by the Federation of Societies for Experimental Biology. They appeared as a supplement to the federation proceedings entitled "Radiation and Aging: Synopses of Panel Discussions Held During 1958 and 1959."

The Fifth International Congress of Gerontology, and the publication which will result from the meeting, was supported in part by the National Heart Institute.

National Cancer Institute: Cancer occurs so commonly among elderly persons that it is inseparable from other problems related to aging. With the exception of a few malignant diseases that develop only in children, the incidence of every form of cancer increases with age. Long considered primarily a disease of children, leukemia actually strikes many more adults, and at an increasing rate; but in children it is usually more acute, and the survival period is shortened.

One of the most perplexing problems is that of the relationship of cancer development to changes that occur in the hormonal functions in the middle and later years. An investigation supported by a grant from the National Cancer Institute for a number of years has been concerned with the problem of cancer of the prostate gland, one of the most common tumors of older men. These studies have been accumulating biological data on aging males and have revealed that prostatic cancer becomes manifest clinically in man at a period in life when sex hormone production has become spontaneously greatly diminished.

Interpretations of findings in studies of hormone factors influencing the origin and growth of neoplasms are constantly being revised. Growth, whether normal or malignant, is the product of the chemical machinery within the cells. As this machinery is better understood, the process of aging will be more clearly defined and cancer will be brought under more effective control.

National Institute of Allergy and Infectious Diseases: The National Institute of Allergy and Infectious Diseases, through its research grants program, supports a variety of projects designed to give insight into the physiological and biochemical aspects of the aging process.

One study has been undertaken to determine the bacteriological and immunological factors occurring in urinary tract infection, with specific reference to pyelonephritis. This investigation reflects a major interest of the Institute of Gerontology at the University of Miami with regard to host factors that predispose to infection in the aged. Pyelonephritis is an important cause of debilitation and death in elderly persons, and this study is directed to understanding this disease.

An entomological study at Fordham University is concerned with the biological effects of parental age in insects. Since general biological principles are involved, this project may produce clues to the causative factors in aging and the degenerative diseases associated with it.

Grantees at the University of Rochester are studying the effect of aging on susceptibility to virus infection in an attempt to understand the general mechanisms responsible for susceptibility or resistance both at the cellular and animal level.

In studies at Boston University, grantees are concerned with viral infectivity effects on the central nervous system. It is hoped to determine the factors, varying with age, which influence resistance of specific tissues to certain neurotropic viruses.

A number of other fundamental studies on allergic or infectious processes may provide valuable secondary information on growth, maturation, and degeneration in both single cells and whole organ systems.

National Institute of Arthritis and Metabolic Diseases: Institute-supported studies are concerned with various aspects of diseases associated with aging, notably, osteoarthritis and osteoporosis. Other extramural studies which pertain to aging include changes in articular cartilage, the effect of aging on collagen formation and on mineral metabolism, the effect of age on skin metabolism and nutritional factors in chronic illness and in aging.

The Institute also participates in the support of a comprehensive program of research in aging at the Albert Einstein College of Medicine, New York City.

Within the Institute there are a number of research activities in which certain aspects of the aging problem come into consideration. The long-term complications of diabetes as these are seen in the blood vessels and kidneys resemble

the changes which occur in aging. These are being studied both at a clinical and laboratory level. The underlying defects in transport of fatty materials and the clinically related situation in obesity are also under laboratory scrutiny.

Postmenopausal and senile osteoporosis is a very common disorder. Studies conducted in the Institute using metabolic balance and isotope techniques have revealed normal rates of calcium deposition in this disease pointing to excessive demineralization as the major etiologic mechanism. The benefits of high calcium intake in this condition continue to be studied.

The aging experimental animal has served as a useful model in the study of degenerative joint disease. The role of nutritional and endocrinologic factors as well as the participation of obesity in the development of joint changes have all been studied in the experimental animal. Similarly, the aging rat has been studied with respect to the effect of exposure of simulated high altitude. Such exposure has been found to decrease life expectancy and to favor myocardial damage.

The aging of tissues and cells has also been fruitful field of study. The life spans of red and white cells in the blood of animals of various species has received considerable attention. The effects of such agents as ionizing radiation and intense erythroid stimulation upon the age of circulating cells have been mentioned. Since the life span of certain of these cells is very great, observations over a period of many years are required for their accurate evaluation. Thus, the life span of the erythrocyte of the turtle has been under observation for a period of 7 years.

The continued capacity of a tissue such as the liver to generate enzymes adaptively has been under study. Specifically, it has been shown that the levels of enzymes concerned with urea synthesis remain susceptible to adaptive influences during adult life. Histological changes during aging have also been observed. Thus, there appear in various epithelial cells cytoplasmic organelles which may be lysosomes. These particles, absent in the tissues of the young animal, appear in later life and are suspected to contain predominantly lytic enzymes.

NIAMD continues through its Laboratory of Experimental Pathology to maintain an active interest in the diseases of the American Indian. Due largely to the decrease in tuberculosis, the average age at death of this population is due to increase markedly over the next several years. It is expected that this population will prove of unusual interest in the study of the relationship of population age to disease incidence.

National Institute of Dental Research: Scientists in the Nation's dental schools and at the National Institute of Dental Research are interested in the phenomenon of aging as related to oral health, since all living cells, tissues, and organs change progressively with the passage of time.

Studies of experimental infections with oral microorganisms have focused on the isolation, purification, chemical analysis, immunological reactivity, and physiological effects of bacterial endotoxins, and related physiological processes that may contribute to periodontal disease. Investigators now believe that in view of the present knowledge of subtle, long-term systemic effects of bacterial endotoxins, the considerable amounts estimate to be present in the oral cavity may well have a broader significance than their contribution to the inflammatory process and soft tissue lesions seen in periodontal disease.

The process of mineralization that continues throughout life is of particular interest to dental and medical scientists. However, the underlying factors that regulate normal and pathological calcification in certain tissues are still not clearly understood. Recent experiments by dental scientists have shown that normally noncalcifying tissues will undergo mineralization when implanted with bacteria in the peritoneal cavity of rats. This technique has opened the way for studying the mechanism of calcification under highly controlled conditions.

National Institute of Mental Health: Aging ranks among the most important areas of scientific inquiry supported through the research grant program of the National Institute of Mental Health. Since its inception in 1948, the Institute has awarded 210 research grants for a total of \$5,614,316 in the field of aging; this amount represents 5 percent of the total awarded to date.¹ The projects currently supported by the Institute total \$1,383,369; the importance placed on this area is reflected in the fact that the average grant for research in aging

¹ As of Sept. 1, 1961.

(\$32,937) is very nearly \$10,000 higher than the average grant in the overall program.

The skills of investigators in the biological, medical, psychological, and social sciences are represented in the variety of projects supported as part of the NIMH research program in aging. This total effort—including basic as well as clinical studies—is directed at a solution of the manifold problems faced by older persons in their physical, intellectual, emotional, and social functioning.

Among the biological oriented studies are a number in which investigators are focusing on the effects of the aging process on the central nervous system. In one study an attempt is being made to determine how neurological changes in the aged are related to personal and social adjustment. From an analysis of detailed medical histories, psychological test results, and observations in the community, the investigators are defining how physiological, psychological, and sociological phenomena are interwoven in the behavior and adjustment of older persons.

A number of studies supported through NIMH research grants involve an exploration of how aging affects the individual's intellectual functions. In one project, for example, a series of experiments are being conducted to determine the extent to which a weakening in certain abilities—for example, to perceive, develop abstract concepts and solve problems—is due to self-disparaging attitudes learned from society's evaluation of older people. The investigators' hypothesis is that decrements in perceptual and cognitive skills, among the aged are due to psychological and social factors rather than to the biological effects of aging.

The needs of the emotionally or physically handicapped older person are the subject of concern in a variety of projects in which therapeutic techniques ranging from drugs to cooperative community activities are being evaluated. In one large-scale study, investigators are identifying some of the specific therapeutic effects of psychopharmacological agents on a sample of institutionalized older persons. In another project, a community nursing facility is being organized and assessed as a substitute for institutionalization in a State mental hospital; the overall objective here is to provide care and treatment for the aged in an appropriate physical facility, while utilizing community medical resources and maintaining the patient's ties to his home and family.

Several studies supported through NIMH grants are devoted to determining what changes in environment can be effective in arresting or reversing the negative psychological and somatic aspects of aging. A research team in one study is designing an optimal housing development for older people, constructed around a small community center with educational and counseling facilities; the aim here is to find a means for making senior citizens an integral part of the community's social structure. In another project, a workshop for older unemployed persons has been established—with the objective of using a productive work situation as a treatment method to restore those feelings of personal worth which appear to be an important ingredient of successful aging.

Of special note are the studies in aging being conducted as part of the expanding NIMH international research grant program. One tripartite study will permit international comparisons of important social aspects of aging in the United States, England, and Denmark. By using comparable sampling techniques in each country, investigators will be able to contrast aged persons in terms of, for example, their general level of physical functioning; services necessary to maintain the aged in their homes; sources of income; reasons for retirement; the role of the family in later life; and differences in life situations between persons over and under 75. In another study, a series of seminars has been initiated on international research in human development—including patterns of aging; one of the goals here is to identify important areas for collaborative, cross-cultural research.

The studies noted here represent examples of how the National Institute of Mental Health is pursuing its research mission in the public health problem of aging. In their basic, experimental work in the behavioral sciences, investigators supported by the Institute are providing data to better understand the biological and social dynamics of aging; and, through their clinical studies, they are establishing new techniques of treatment, care and rehabilitation that will permit the aged to maintain meaningful and rewarding roles in the community.

National Institute of Neurological Diseases and Blindness: The NINDB research program relating to chronic neurological disorders of aging is divided into (1) the aging process in the central and peripheral nervous systems, and

(2) studies of extrapyramidal disorders, such as Parkinsonism, and other involuntary movements generally associated with aging.

Efforts to explain the causes and mechanisms of the process of aging in the nervous system are being pursued primarily through anatomical, developmental, environmental, biochemical, physiological, metabolic, and nutritional studies.

In both areas, pathological states are being observed in an effort to define the pathogenesis and possible etiological factors. Clinically, efforts are directed toward the ultimate prevention and repair of the aging process of the nervous system, and toward the diagnosis, treatment, prevention, and rehabilitation of the chronic neurological disorders of aging. In addition, studies are being pursued in some areas to establish new or improved research instruments and techniques which may open previously closed or limited avenues of research in this difficult field.

Process of aging

Studies of the process of aging of the nervous system deal primarily with associated structural alterations through the quantitative study of changes in the amount of nervous tissue with age; intracellular changes in the neuron, or nerve cell; and the changes in the interneuronal substance.

Quantitative changes are significant since any lack of renewal of degenerated nerve cells ultimately is associated with loss of function. Thus, grantee studies are underway to determine changes in cellular populations within cerebral cortex and cranial nerve nuclei. Another grantee has recently begun working with the flying-spot techniques, a new technical aid for the quantitative study of tissue. Using this tool, he hopes to develop methods for automatic counting of nerve cells.

Changes within the neuron are important since they will help estimate the degree of loss. Aging changes have been described in many areas, but the only intraneuronal change with aging agreed upon is appearance of the so-called senility pigment. There is greater need for a clear definition of aging pigment and an explanation for its occurrence. The relationship of pigment deposition in nerve cells with age is being explored in specific areas of the cortex and frontal lobe of the brain. Attempts are being made not only to determine the exact nature of the pigments by chemical methods, but also experimental procedures are being sought to produce the pigments in other cells of the body besides the neuron.

Regarding the intercellular studies, it appears that any alteration occurring in the space containing the fluid from which the nerve cells gain nutrient would be of great importance. Nevertheless, morphological changes of this space with respect to age are practically unknown. By means of the interference microscope, changes in cellular volume in relation to aging are being explored.

A second important avenue of research is the associated biochemistry of the nervous system since structural changes may ultimately be explained on a molecular basis. Changes in brain composition that accompany development have been of great interest to the neurochemists, but relatively little work has been done on the biochemistry of the aging brain. Slow decreases in such things as total nitrogen, proteins, the various lipoidal or fatlike substances, potassium, and inorganic phosphorus have been noted with aging. On the other hand, the concentrations of water, sodium, and desoxyribonucleic acid (DNA) increase with age, as do those of calcium and sulfur. As NINDB investigators turn their attentions to such matters, it is hoped that the meaning of these and other changes will become clear.

Some scientists involved in investigations of the metabolism of brain protein have been studying the effect of age on the amino acid composition of brain protein. Meanwhile, still others are working on esterases with the hope of gaining some insight into the role these enzymes play in the maintenance and metabolism of nervous tissue. An investigation of human brain lipids from normal aged persons and from patients with nervous disease is being carried on by NINDB grantees. Others are making comprehensive studies of brain lipids which include studies on brains in different stages of development and aging. New methods for extraction, separation, purification, and identification are being developed, and the various lipid fractions are being examined. Under NINDB, scientists are studying the metabolism and pathology of brain glycolipids. Radioactive isotopes are being used to label the compounds studied and to help elucidate their metabolism and turnover rates.

NINDB grantees, investigating the neural metabolism of the rat in senescence, have shown preliminary evidence of an age-related reduction in the amount of ribonuclease-hydrolyzable, or decomposing, material in both cardiac muscle and Purkinje cells, the large branching cells of cerebral cortex. They are now verifying these results by spectrophotometric measurement of extracted DNA.

Attempts are being made to identify various other etiological factors in the aging of the nervous system, including the role of X-irradiation in aging; the function of the oxidative enzyme systems and brain respiration; and the aging of nervous functions in relation to physical and mental stresses. In studies of effects of radiation it was reported this year that marked decreases were observed in cortical thickness and in brain weight of irradiated animals.

In an effort to understand physiological changes of the nervous system in relation to aging, some investigators are observing changes in electrical activity of cortical and subcortical brain areas in the course of maturation. Meanwhile, other investigators are concerned with explorations of integrative mechanism associated with muscle extension and cutaneous reflex activity. From such explorations they hope to learn more about features of tone, posture, voluntary and involuntary movement, and so forth and their alterations in development and aging, as well as in disease.

NINDB grantees, therefore, in many diversified approaches are scrutinizing the anatomical and physiological bases of many involuntary movements and rigidity or muscle tone. In some instances the investigators are seeking physiological-anatomical correlates by attempting to produce the neurological states in animals by placing lesions in selected areas of the brain. Functional capacities of animals in which parts of the cortex have been removed are being observed.

Of significance are efforts to explore the interrelationships of fiber connections between a number of structures in the extrapyramidal system.

Meanwhile, other grantees are analyzing the abnormal physiological and anatomical states, themselves, by electrical recordings of the altered characteristics of spastic spinal motoneurons, and by histologic techniques in rigid experimental animals. An extensive review of the literature in relation to methods of tremor measurement, factors affecting tremor, and the physiology of tremor, was published by one grantee early this year.

Extrapyramidal disorders

The current intramural program of NINDB in aging is primarily focused on the extrapyramidal disorders and involuntary movements, especially Parkinsonism. Through the use of depth electrodes in regions of the basal ganglia (the massed nerve centers of the brain) proposed as sites for later therapeutic ablation, one team of investigators is hoping to learn more about physiological alterations underlying syndromes of involuntary movements. Other investigators have been engaged in clinical and pathological studies of Parkinsonism-dementia complex. In June of this year these investigators reported to the American Neurological Association that their early findings suggest Parkinsonism-dementia complex and amyotrophic lateral sclerosis may be variation of the same disease. The Parkinson-like side effects of ataraxic drug therapy, or tranquilizers, has been reported widely in the literature. However, it is not known whether the drug-induced Parkinsonian reaction is due to hereditary susceptibility, whether there is a biologic relationship between this acute, reversible symptomatology and the irreversible chronic process of Parkinson's disease, whether the difference of the two conditions is only a matter of degree, or whether the underlying pathology is the same.

In addition to these specific studies concerned with the process of aging of the nervous system and with extrapyramidal disorders, it is important to note that the National Institute of Neurological Diseases and Blindness reaches much farther into problems of aging through its research in other neurological and sensory areas. Among these are programs relating to glaucoma, deafness, speech, and cerebral vascular disorders. These, of course, are related to but not restricted to aging.

EXTRAMURAL STATISTICAL SUMMARIES

The following tables show the number and annual dollar volume of research and training grants in aging that were active on January 31, 1962, January 31, 1961, January 31, 1960, January 31, 1959, and January 31, 1958. The fiscal year columns indicate the appropriation from which funds were derived to support these projects, although these tables essentially reflect calendar year

activity. The date of January 31 was chosen in order to include the actions of the November meetings of the National Advisory Councils.

NIH research and training grants in aging, active as of Jan. 31, 1962

PRIMARYLY RELATED TO AGING

Institute	Number	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Total
General ¹	56	\$83,288	\$66,171	\$854,602	\$868,870	\$1,872,931
NCI.....	13		8,988	120,231	267,674	396,893
NHL.....	71		41,288	996,980	1,524,322	2,562,590
NIAID.....	13			23,926	171,746	195,672
NIAMD.....	65			303,593	968,758	1,272,351
NIDR.....	19			96,730	143,799	240,529
NIMH.....	37	32,026	72,678	547,649	757,160	1,409,513
NINDB.....	32		117,683		389,336	507,019
Total.....	306	115,314	189,125	3,061,394	5,091,665	8,457,498

SECONDARILY RELATED TO AGING

General ¹	79	\$15,592		\$1,461,120	\$1,775,670	\$3,252,382
NCI.....	48		\$13,809	431,450	699,223	1,144,473
NHL.....	172		12,898	6,120,472	4,363,948	10,497,318
NIAID.....	39		7,900	256,055	303,381	567,336
NIAMD.....	88			512,385	1,296,465	1,808,850
NIDR.....	30			243,413	317,742	561,155
NIMH.....	39		19,630	1,420,573	510,769	1,950,972
NINDB.....	78		8,050	396,158	1,719,370	2,123,578
Total.....	573	15,592	62,278	10,841,626	10,986,568	21,906,064

¹ Division of General Medical Sciences.

NIH research and training grants in aging, active as of Jan. 31, 1961

PRIMARYLY RELATED TO AGING

Institute	Number	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Total
General ¹	36	\$83,288	\$411,525	\$912,662	\$1,407,475
NCI.....	14		77,951	155,318	233,269
NHL.....	70	12,282	277,087	1,363,169	1,652,538
NIAID.....	7		12,217	45,446	57,663
NIAMD.....	47	14,220	169,665	605,382	789,267
NIDR.....	12		44,861	145,250	190,111
NIMH.....	31	83,038	420,483	479,662	983,183
NINDB.....	28		111,699	315,451	427,150
Total.....	245	192,828	1,525,488	4,022,340	5,740,656

SECONDARILY RELATED TO AGING

General ¹	66	\$17,879	\$713,503	\$1,363,558	\$2,094,940
NCI.....	47		384,588	510,335	894,923
NHL.....	149	94,410	1,166,600	2,457,291	3,718,301
NIAID.....	32	9,878	68,459	294,085	372,422
NIAMD.....	70		192,140	1,173,791	1,365,931
NIDR.....	24		133,637	256,626	390,263
NIMH.....	24		309,278	388,808	698,086
NINDB.....	43		156,319	802,723	959,042
Total.....	455	122,167	3,124,524	7,247,217	10,493,908

¹ Division of General Medical Sciences.

NIH research and training grants in aging active as of Jan. 31, 1960

PRIMARYLY RELATED TO AGING

Institute	Number	Fiscal year 1958	Fiscal year 1959	Fiscal year 1960	Total
General ¹	28	-----	\$393,851	\$715,276	\$1,109,127
NCI.....	19	-----	82,449	279,697	362,146
NHL.....	72	-----	316,365	1,400,322	1,716,687
NIAID.....	4	-----	11,215	18,363	29,578
NIAMD.....	42	-----	66,659	567,432	634,091
NIDR.....	19	\$14,384	119,919	88,502	222,805
NIMH.....	31	72,678	485,141	461,129	1,018,948
NINDB.....	29	-----	131,018	336,498	467,516
Total.....	244	87,062	1,606,617	3,867,219	5,568,898

SECONDARILY RELATED TO AGING

General ¹	40	-----	\$171,519	\$523,515	\$695,034
NCI.....	38	-----	211,577	469,738	681,315
NHL.....	117	-----	907,711	1,792,053	2,699,764
NIAID.....	21	\$18,384	42,811	192,825	254,020
NIAMD.....	49	11,129	104,670	888,129	1,003,928
NIDR.....	24	8,012	156,697	316,609	481,318
NIMH.....	20	-----	190,189	228,416	418,605
NINDB.....	29	-----	138,977	509,509	648,486
Total.....	338	37,525	1,924,151	4,920,794	6,882,470

¹ Division of General Medical Sciences.

NIH research and training grants in aging, active as of Jan. 31, 1959

PRIMARYLY RELATED TO AGING

Institute	Number	Fiscal year 1958	Fiscal year 1959	Total
General ¹	15	\$18,192	\$532,231	\$550,423
NCI.....	20	120,021	424,407	544,428
NHL.....	60	227,888	1,034,709	1,262,597
NIAID.....	3	20,350	10,010	30,360
NIAMD.....	35	37,148	453,958	491,106
NIDR.....	11	38,785	60,774	99,559
NIMH.....	32	340,344	514,716	855,060
NINDB.....	21	109,706	190,741	300,447
Total.....	197	912,434	3,221,546	4,133,980

SECONDARILY RELATED TO AGING

General ¹	14	\$32,000	\$268,910	\$300,910
NCI.....	31	180,556	263,353	443,909
NHL.....	84	441,079	1,192,186	1,633,265
NIAID.....	10	24,833	81,558	106,391
NIAMD.....	32	50,344	528,042	578,386
NIDR.....	19	148,867	152,760	301,627
NIMH.....	6	43,499	53,397	96,896
NINDB.....	11	17,239	144,508	161,747
Total.....	207	938,417	2,684,714	3,623,131

¹ Division of General Medical Sciences.

NIH research and training grants in aging, active as of Jan. 31, 1958

PRIMARYLY RELATED TO AGING

Institute	Number	Fiscal year 1955	Fiscal year 1957	Fiscal year 1958	Total
General ¹ -----	9	-----	\$12,258	\$249,419	\$261,677
NCI-----	11	-----	40,853	99,991	140,844
NHI-----	48	-----	138,700	747,329	886,029
NIAID-----	None	-----	-----	-----	-----
NIAID-----	14	-----	43,179	132,434	173,613
NIDR-----	7	-----	29,821	30,122	59,943
NIMH-----	28	\$23,686	162,972	440,641	627,299
NINDB-----	14	-----	37,751	79,215	116,966
Total-----	131	23,686	463,534	1,779,151	2,266,371

SECONDARILY RELATED TO AGING

General ¹ -----	5	-----	\$122,262	\$81,951	\$204,213
NCI-----	20	-----	90,207	141,437	231,644
NHI-----	60	-----	349,597	703,682	1,053,279
NIAID-----	7	-----	2,501	60,574	63,075
NIAID-----	21	-----	82,181	192,470	274,651
NIDR-----	16	-----	121,426	143,872	265,298
NIMH-----	6	-----	38,298	35,706	74,004
NINDB-----	8	-----	34,085	83,804	117,889
Total-----	143	-----	840,557	1,443,496	2,284,053

¹ Division of Research Grants.

ST. ELIZABETHS HOSPITAL

St. Elizabeths Hospital, located in Washington, D.C., has been providing care and treatment for mentally ill beneficiaries of the Federal Government and for mentally ill residents of the District of Columbia since January 1855.

In recent years, the aged have accounted for a growing proportion of the patient population in public mental hospitals throughout the Nation, and St. Elizabeths is no exception. Of the 7,053 patients in the hospital at the close of the 1961 fiscal year, 2,186 or 31 percent were 65 or over. Five years earlier at the end of fiscal 1956, the comparable proportion was 28.5 percent.

Patients 65 and over can be divided for the most part into two clearly differing groups. The first consists of those who were geriatric patients when admitted. Most of these patients have chronic brain syndromes associated with cerebral arteriosclerosis or senile psychoses and many have serious physical disabilities as well. The second group consists of patients who were admitted while relatively young but who have remained to grow old in the hospital. This group is predominately schizophrenic.

In view of the large numbers of aged patients the hospital is called on to treat, 1 of the hospital's 12 psychiatric services is devoted exclusively to geriatric patients and during the past year this service was made a separate clinical branch. This geriatric service was established in 1951 with the opening of a newly constructed geriatric building. For several years the service provided only continued treatment to its patients, all of whom were first admitted to other services.

But, in 1955 the geriatric service began admitting patients directly and in 1956 a second building was added. At the present time, nearly all new patients aged 64 or over are admitted to this service which has a capacity of 828 beds.

In order to provide more intensive specialized attention to physical problems of aging patients, an additional building for patients with physical infirmities is currently under construction. When completed in 1963, this building will have a capacity of 250 beds and will serve many geriatric patients.

In addition to caring for the psychiatric and many of the medical needs of the older patients, the geriatric service serves as a center for the training of professional and nonprofessional personnel, i.e., psychiatric residents, chaplain residents, registered nurses in the graduate field, student nurses in the basic program, and trainee nursing assistants.

At the present time only about one-third of the hospital's elderly patients are cared for in the geriatric service. Of the 2,186 patients 65 or over on June 30,

1961, there were 1,328 or 61 percent who were in psychiatric services other than the geriatric service, 742 or 34 percent who were in the geriatric service, and 116 or 5 percent who were in the medicine and surgery branch.

The M. & S. branch is actually a fully accredited 360 bed general hospital providing the full range of medical and surgical services to the hospital's patient population.

During 1961 the hospital strengthened its varied program of research, including geriatric research. In addition to research studies and demonstration projects conducted by its operating branches the hospital is joint sponsor, with the National Institute of Mental Health, of a research center in neuropharmacology and related fields. Work currently underway regarding geriatric patients ranges from a study of social characteristics to one involving the use of radioactive isotopes to measure blood flow.

St. Elizabeths Hospital serves as the Department's research and teaching arm in the field of clinical psychiatry and geriatrics and institutional care. The hospital concerns itself with the whole range of multidisciplinary problems and services involved in the custody, the psychiatric and general medical and surgical care, and the medical and social rehabilitation of the aged.

The hospital has developed and is developing training and research programs in most of the medical, social, and allied disciplines. Its training curriculum includes formally approved programs of externship, internship, residency, and fellowship. Some of these programs are developed within the hospital programs and some involve affiliation with medical schools, universities, and other Federal and private agencies. Staff members of the hospital teach in a wide variety of professional subjects and management subjects in area universities and other institutions. A sizable contribution is made to the Nation's manpower pool of trained personnel and to the Nation's pool of knowledge in the persons of psychiatrically trained physicians, nurses, social workers, psychologists, occupational therapists, chaplains, and so forth, and in the persons of similarly trained and oriented surgeons, internists, radiologists, neurologists, physiatrists, pharmacists, and so on.

AGING—SOCIAL SECURITY ADMINISTRATION

Summary table

[In millions of dollars]

	Actual, 1959	Actual, 1960	Actual, 1961	Estimate, 1962	Estimate, 1963
OASDI benefits:					
Disability payments: Age 45 to 64.....	339.0	528.0	644.0	823.0	915.0
Survivors payments:					
Age 45 to 64.....	386.0	448.0	501.0	980.0	1,093.0
Age 65 and over.....	7,621.0	8,624.0	9,353.0	10,212.0	10,936.0
Public assistance:					
Age 45 to 64.....	112.9	123.3	132.4	142.1	151.8
Age 65 and over.....	1,118.2	1,138.8	1,208.8	1,373.0	1,472.1

PROGRAMS FOR THE AGING, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

OBJECTIVES

The purpose of the old-age, survivors, and disability insurance program is to pay benefits to insured workers and their families where they have suffered a loss of earnings due to retirement in old age, the death of the insured worker, or an extended and severe disability. The program is financed by contributions from wage earners and their employers and the self-employed, with benefit rights being clearly defined by law.

SERVICES AND BENEFITS TO OLDER PERSONS

Monthly benefits are payable (1) to insured workers up to 65 years of age who have worked a specified period of time in covered employment and have a medically determinable disability which is of indefinite duration and so severe that it prevents them from engaging in any substantial gainful activity and (2) to insured workers between ages of 62 and 72 who have substantially retired from gainful employment and beginning at age 72 without regard to work status. Benefits are also paid to wives of beneficiaries at or after age 62 and to widows of insured workers when they reach age 62. Children of retired, deceased, or disabled workers are also eligible for benefits when they are under age 18, and after age 18 if they have a severe disability which began before that age and which has made it impossible for them to work and support themselves. Benefits are paid to mothers (irrespective of their age) when they have such children in their care.

Local district offices have responsibility for giving information to all inquirers about the various types of benefits and the conditions governing their receipt, and for disseminating information about the program through the press, radio, and other communications media. Persons filing claims are informed of their rights and responsibilities and are given help in securing the factual information necessary to determine eligibility for benefits. For those adult beneficiaries who are determined to be incapable of managing their benefit funds, usually as evidenced by a physician's statement, a person is selected to receive the checks with responsibility for using them in the best interest of the beneficiary.

Of the 15.6 million beneficiaries being paid old-age, survivors, and disability insurance benefits in June 1961, 12.3 million were aged 62 or older for women and 65 or older for men. About 74 percent of all persons now 65 and over are either getting old-age and survivors insurance benefits or would be eligible for benefits on retirement. This proportion will grow until practically all aged persons are protected. The number of disabled persons and their dependents receiving disability benefits in June 1961 totaled 897,000. Most benefits now being awarded are computed on the higher earnings since 1950. These monthly benefits in November 1961 averaged \$79 for a retired worker without eligible dependents, \$135 for a retired couple, and \$76 for aged widows. The average benefits for all those on the rolls, including those whose benefits are based on earnings before 1950, was \$71 for a retired worker without eligible dependents, \$126 for a retired couple, and \$65 for aged widows. Future benefit levels will be more like present awards than the averages for all present beneficiaries.

The 1961 amendments to the old-age, survivors, and disability insurance program made the following major changes:

1. Reduced the age at which men are first eligible for old-age and survivors insurance benefits from 65 to 62 with benefits for those who claim them before 65 reduced to balance the longer period for which they will receive benefits.
2. Revised the qualifying requirements for insured status from one out of three to one quarter of coverage for every four calendar quarters elapsing after 1950.
3. Revised the retirement test to provide withholding of \$1 in benefits for each \$2 in earnings between \$1,200 and \$1,700 and \$1 in benefits for each \$1 of earnings above \$1,700.
4. Increased the monthly benefit amount for aged widows from 75 percent of the primary insurance amount to 82½ percent. A similar increase was provided for widowers and sole surviving parents.
5. Increased the minimum benefit payable to a worker retiring at age 65 or later, to a disabled worker, or to a sole survivor from \$33 to \$40 with corresponding increases to the dependents of the insured worker.
6. Extended the time within which disabled workers can apply for disability benefits and have the beginning of the period of disability (for insured status and computation purposes) established as far back as the date of actual onset to June 30, 1962.

SERVICES TO GROUPS AND OFFICIALS

The Bureau of Old-Age and Survivors Insurance analyzes the effectiveness of the old-age, survivors, and disability insurance program in providing economic security for the aged. A continuing statistical and research program provides data which are useful in identifying needs and in planning services for older persons. Basic information is obtained, for example, on employment and earn-

ings of older workers, and for the aged on their expenditures, their income, assets, living arrangements, and other circumstances that show how they get along. These data, as well as information about benefit levels, numbers of beneficiaries, etc., are available for use by groups and officials planning for the aged.

RELATIONSHIPS

The old-age, survivors, and disability insurance program is nationally administered. Local communities are served by 591 district offices and over 3,600 resident and contact stations (as of January 1962). District offices keep informed about available community resources and refer to them persons who ask for help on problems which are not directly connected with their application for or receipt of benefits. District office staff members also cooperate with others in planning for the development of community resources for the aging, reflecting the needs of older persons as they become known in the OASDI program.

The Welfare Branch in the Division of Claims Policy has responsibility for representing the Bureau in planning with other national groups and agencies to have services available to older people who need them, for development of policies governing selection of payees for persons determined not to be capable of managing their benefit funds, for developing policies and procedures for periodic accounting for use of funds by representative payees, and for providing guidelines and help to district offices as they work cooperatively with other public and private agencies to make available services to other people in the communities where they live.

AGING—BUREAU OF FAMILY SERVICES

PROBLEMS OF THE AGING

The Bureau of Family Services administers grants for two programs directly concerned with the aged:

1. Old-age assistance

A program to assist aged needy individuals by providing financial assistance, medical care, and other services to help them to attain self-care insofar as practicable. All 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands have the old-age assistance program.

To assist States to improve their existing medical provisions or establish new ones, the Social Security Amendments of 1960 provided for increased Federal financial participation effective October 1, 1960, in payments to suppliers of medical care for recipients of this program.

Approximately 2,296,000 persons, or 134 persons out of each 1,000 age 65 and over, received old-age assistance in June 1961—about 13 percent of the population age 65 and over. The majority of the needy aged live in small communities or rural areas where almost no other organized community welfare services exist. There is a high incidence of chronic illness; many suffer from loss of family and friends and from general exclusion from employment opportunities irrespective of their skills or physical vigor. Nearly a half million are bedridden or need substantial care from others because of physical or mental impairment; about 115,000 live in institutions.

Some of the more specific problems which this group have are:

(1) Limited income: The average monthly money payment varies from a low of \$34 to a high of \$81 and the national average payment is \$56.74 monthly.

(2) Health problems: While older people constitute 9 percent of the population they make up more than 55 percent of all persons with chronic illness. Approximately one-half of the older persons in institutions (nursing homes and homes for the aged) are public assistance recipients. However, this represents only about 10 percent of the OAA recipients. Federal, State, and local funds for all forms of medical care for the aged for the year ending June 30, 1961, were around \$500 million.

(3) Inadequate housing and living arrangements: For example, 19.7 percent of our older recipients of public assistance, especially those in rural areas or small communities, live in housing in which there is no running water, 29.6 percent of them live in places which have no flush toilets and

40.3 percent do not have telephones. Some of these older persons live alone with no relatives or close friends near by. These facts are particularly important in view of the average age of the old-age assistance recipient (which is 76.4 years). Other problems are: strained or lack of relationship with their adult children, limitations in carrying out their role and function as individuals and family members, and inability to help themselves due to lack of access to or unavailability of community resources.

2. Medical assistance for the aged

A program to provide for medical care needs of lower income elder citizens not on old-age assistance rolls whose income and resources may be sufficient for their maintenance needs but insufficient to meet the cost of necessary medical services.

The enactment of this program in September 1960, with an effective date of October 1, 1960, reflects the Nation's concern with the inability of a large segment of the aged population to pay for adequate medical care, the cost of which is steadily increasing. These costs are often unpredictable, sometimes very heavy, and present a special problem for this age group—where there is a high incidence of illness; many live on reduced retirement income, and, while otherwise they may be self-sufficient, help is needed in meeting costs of medical care.

ACCOMPLISHMENTS

1. As of December 1961, programs of medical assistance for the aged were in operation in 21 States and territories: Arkansas, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, New Hampshire, New York, North Dakota, Oklahoma, Oregon, South Carolina, Tennessee, Utah, Washington, West Virginia, Puerto Rico, and Virgin Islands. These programs vary widely in the scope of medical care provided. As of December 1961, about two-thirds of the States also had made improvements in the medical care provisions of their old-age assistance programs.

2. With respect to medical assistance for the aged, work to date in this area has been primarily concerned with issuance of minimum necessary policy materials in order to provide an administrative base for the States to initiate plans under this new program as soon as possible. Emphasis in 1962 continues on assisting States in setting up new or improved medical care programs. This includes development and continued refinement of guides and standards on the level, content, and quality of medical care and services for use of States in evaluating and improving their medical care programs. A special report, as requested by the House Ways and Means Committee, is being prepared for submittal to the Congress by March 15, 1962, on progress thus far in this area.

3. The Bureau, in cooperation with the Children's Bureau and the U.S. Public Health Service, sponsored a national conference on homemaker service. The Bureau has published a "How They Do It" document on homemaker service for families and older persons as well as a monograph on citizen participation (use of volunteers) in public welfare programs.

4. The Bureau completed one part of a study of the characteristics and financial circumstances of recipients of old-age assistance in 1961. This report outlines social characteristics, income data and requirements of old-age assistance recipients.

5. The Bureau of Family Services issued a brief release "OAA Program Facts" specifically for use in relation to the White House Conference on Aging and provided two staff members as technical directors for the conference.

6. The Bureau has issued a document (FS Report No. 38) entitled "Services for Older People" which outlines the role of the public assistance programs and of the Bureau of Family Services in relation to older persons.

7. Administrative reviews of State planning and services by Bureau staff regarding special care needs of older persons in relation to nursing homes have been of benefit to a number of States.

8. The Bureau has joined with a variety of public and private agencies, at the national level, to cosponsor national seminars dealing with older people. Last year, a seminar on "Casework With the Aging," took place October 30 to November 4, 1960, at Arden House, Harriman, N.Y. This seminar was cosponsored by the Bureau, the American Public Welfare Association, the Family Service Association of America and the National Council on Aging.

This year, the Bureau joined these three sponsors and in addition the National Institute of Mental Health, the Bureau of Old-Age and Survivor's Insurance and

the United Community Funds and Councils of America in sponsoring a seminar on "Local Community Planning for Older Adults." This seminar took place in Brandeis University, Waltham, Mass., August 27 to September 1, 1961.

9. Bureau staff have been active in the National Council on Aging and are participants in the Association of Non-Profit Homes for the Aged. The Bureau maintains liaison with the Council on Aging.

10. The Bureau maintains liaison with the Council on Social Work Education, New York, in relation to the training of social workers for work with older people.

11. The Bureau is represented on the Committee on Aging of the American Public Welfare Association. Bureau staff have been active in developing the APWA Committee on Aging definition of welfare's role in providing protective services to older people.

12. Bureau staff have been active as participants in several institutes on services to the aged sponsored by the APWA project on aging. They are titled:

(1) State welfare patterns of administration.

(2) Staff training (for work with the aged).

(3) Planning improved services for the aging through public welfare agencies.

FUTURE PLANS

1. Studies, reports, and publications

The Bureau will release subsequent reports on characteristics and financial circumstances of recipients of OAA which will cover data for individual States and the Nation.

The Bureau is planning a study of medical care needs of older persons who are public assistance recipients.

The Bureau is doing an analysis and evaluation of methods used by States in handling drugs as part of medical care in public assistance. The results of this study will be published.

The Bureau has in preparation a monograph on the public assistance case-worker's role in services to ill and disabled public assistance recipients.

The Bureau has in preparation a document entitled "Report of Regional Meetings on Nursing Homes and Homes for the Aged" containing highlights from these meetings of significance to public welfare.

An interpretive document on public welfare services for older persons, with illustrations, is in preparation. This document will serve to illustrate services currently being provided by public welfare departments, emphasizing the service areas contained in the White House conference recommendations. Illustrations of services being provided in States will be shown.

2. Consultation and special contacts

Bureau staff will be visiting States to do factfinding and for purposes of consultation on services to older and handicapped people, which are being carried out in States. The patterns of administration of services to aged in States will be reviewed; observation of preventive and rehabilitative services being carried out on behalf of older recipients in selected States will take place; and examples of community planning activity by public welfare agencies at the State and local level will be observed.

Bureau staff will participate in the program of State conferences of social welfare and in institutes for services to older people for public welfare staff.

3. Liaison with other agencies

Bureau staff will continue to represent the BFS on the Committee of Aging of the APWA and the National Council on Aging for purposes of stimulating the development of needed services for all older persons.

4. Cooperation with other agencies

The Bureau of Family Services will join five other sponsors; the American Public Welfare Association, National Council on Aging, Family Service Association of America, Bureau of Old-Age and Survivor's Insurance, National Institute of Mental Health to cosponsor the seminar on "Basic Consideration of State Level Planning for Older People" which will take place March 4-9, 1962, at Arden House, Harriman, N.Y. The purpose of the seminar is to identify the content and scope of planning with and on behalf of older people at the State level as it is carried out by central planning bodies at the State level and by individual State agencies (public and private) who are responsible for providing services to older people.

SPECIAL STAFF ON AGING

In the past year the Special Staff on Aging was primarily concerned with followup activities to the White House Conference on Aging. Twenty-nine publications were issued to inform the public and special program groups of the recommendations of the Conference and the action opportunities to which their efforts could be directed. A national meeting of State officials in aging was held in June. A series of seven regional conferences on education for aging was sponsored with the assistance of the Office of Education and cosponsored by nine national educational organizations. Staff members participated during the course of the year in numerous State and regional conferences on aging.

As a continuing activity the staff provided technical assistance and consultation to members of State commissions on aging, community officials, and other local, State, and national organizations. Such assistance concerned various subject areas including housing, older worker employment problems, social services, voluntary services, community activities, education for aging, and others.

The Special Staff on Aging coordinated a review of White House Conference recommendations relating to existing or proposed Federal activity. The result of this review is not tabulated statistically, but from the various reports received, the following conclusions can be made:

1. A substantial number of recommendations were implemented legislatively, notably by the following three acts:

- (a) Social Security Amendments of 1961.
- (b) Community Health Services and Facilities Act.
- (c) Housing Amendments of 1961.

2. Many recommendations were already in effect, at least partially.

3. Many recommendations will serve as guides and influences in future program direction.

Other accomplishments in which the special staff played a role include:

1. Increase in number of State commissions on aging (33 permanent, 13 temporary).

2. Initiation of special program of consultation to universities considering establishment of institutes of gerontology.

3. Initiation of curriculum development for university training courses for administrators of homes for the aged and housing developments.

Future plans of the Special Staff on Aging are reflected in the following classifications:

1. Strengthening resources and program planning:

- (a) The Secretary will convene a panel of distinguished professionals and program officials to serve as a public advisory committee.

- (b) Special inservice training of regional representatives, and staff, initiated in 1961, will be continued.

- (c) Expansion and classification of resource materials for information and research services will be carried out, so that the staff may better perform its clearinghouse and reference roles.

2. Improving program coordination and relationships:

- (a) The HEW Departmental Committee will be reactivated.

- (b) Emphasis will be put on relations with State commissions on aging, to assist in strengthening them, and to expand their number. A national meeting of State officials will be held in April 1962.

- (c) A specialist will be assigned to develop closer liaison with national organizations.

3. Continuing activities and special projects:

- (a) Consultation and technical assistance to public and private organizations and to individuals.

- (b) Preparation of popular and technical publications.

- (c) Study of 1960 census data on the situation of older people, and dissemination of analyses.

- (d) Inventorying and cataloging current research in gerontology.

- (e) Inventorying and cataloging current training programs in gerontology.

- (f) Development of model training curricula.

- (g) Special effort to stimulate use of older people in volunteer community service activities; planning a national program for a Community Senior Service Corps.

JUVENILE DELINQUENCY

Mr. FOGARTY. Next is a program this committee has done everything it could to push. We held special hearings on juvenile delinquency 2 or 3 years ago and have appropriated more funds than the budget requested in order to get a good program started. We will place that statement in the record at this point.

(The statement follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

JUVENILE DELINQUENCY

PREFACE

The evidence of the increasing seriousness of juvenile delinquency in this country grows with every new statistical study or survey. Last year Congress took a concrete step toward countering this trend when it enacted Public Law 87-274, "The Juvenile Delinquency and Youth Offenses Control Act of 1961."

The administration of this act is assigned to the Office of the Special Assistant for Juvenile Delinquency. Both the act and this new Office have added a new dimension to the efforts of the Department of Health, Education, and Welfare to prevent and control juvenile delinquency. The activities of our various agencies in this field are numerous. But for the first time we have established a coordinating mechanism within the Department. The Office of the Special Assistant for Juvenile Delinquency is utilizing all pertinent agencies in the Department in administering Public Law 87-274, and is also responsible for coordinating the efforts of these agencies to achieve the greatest possible impact on the mass of problems represented by the growing numbers of juvenile delinquents.

It has become very evident that we cannot successfully attack these problems by focusing narrowly on juvenile delinquency. To achieve our goals of preventing delinquency we must carefully scrutinize the whole gamut of problems facing our youth today. With this in mind we are enlisting the efforts and talents of all our agencies that deal with problems of youth and their families. We are adding staff to some of these agencies to enhance their efforts in the solution of these problems. These agencies are giving new emphasis to the problems of youth development, and two of them, the Office of Education and Children's Bureau, have formed new units to give special attention to these problems. In addition we are working closely with the Departments of Labor and Justice through the mechanism of the President's Committee on Juvenile Delinquency and Youth Crime. We are also making money available to add positions to these Departments to give added impetus to their efforts in this area.

Within the Department of Health, Education, and Welfare considerable effort and money is being invested in these problems. The Children's Bureau is spending an estimated \$324,571 in 1962 for the activities of the Division of Juvenile Delinquency Services. This Division has produced a number of documents which have set standards for juvenile and family courts, for training schools and other correctional institutions, for police work with juveniles, for work with gangs, the legal aspects of delinquency, and the training of personnel who work with delinquent youth. In addition, this Division has provided technical assistance to public and voluntary agencies across the Nation. The enlargement of the Research Division has enabled them to give more attention to juvenile delinquency studies. The Social Service and Health Divisions, through grant programs and consultative service, have continued to help States improve and enlarge child health and welfare programs so important in the prevention of juvenile delinquency.

The National Institute of Mental Health is spending an estimated \$4,263,000 in 1962 in the general area of juvenile delinquency. Of this amount over \$3½ million will be devoted to demonstration projects, professional training projects, and to support basic and applied research.

The Office of Education, through its cooperative research agreements, will spend an estimated \$70,200 on projects focused on educational problems closely associated with delinquent behavior such as reading deficiencies, language handicaps, school dropouts, etc. It has just started to provide consultative service to

State and local agencies concerned with the educational aspects of the prevention and control of juvenile delinquency.

The Division of Program Research of the Social Security Administration is supporting research and demonstration projects concerned with problems whose solution would have bearing on the whole problem of juvenile delinquency. Such areas as financial dependency of children and their families deal with groups of children particularly vulnerable to delinquency.

In the same sense the Office of Vocational Rehabilitation assists the States in developing programs for the physically and mentally handicapped. These programs reduce dependency and idleness and help to maintain family units, thus playing an important role in preventing juvenile delinquency.

Finally, the Office of the Special Assistant has begun a major two-part effort in the prevention and control of juvenile delinquency. First, it is administering a grant program for demonstration projects, training and technical assistance, and information. Secondly, it is coordinating all of the above-mentioned efforts so that maximum effect can be achieved.

The following reports from the constituent agencies of the Department illustrate our activities and the concentrated program we are pursuing:

*Obligations for programs on juvenile delinquency*¹

	1959	1960	1961	Estimated, 1962	Estimated, 1963
Office of the Special Assistant.....				\$6,446,000	\$8,500,000
Children's Bureau.....	\$205,285	\$208,588	\$224,665	324,571	354,985
National Institute of Mental Health.....	1,786,000	1,927,000	3,443,000	4,263,000	5,000,000
Office of Education.....	38,105	8,431	8,351	70,200	100,000
Total.....	2,029,390	2,144,019	3,676,016	11,103,771	13,954,985

¹ In the case of the Office of Vocational Rehabilitation and the Social Security Administration, Division of Program Research, no funds were expended directly for control of juvenile delinquency.

OFFICE OF SPECIAL ASSISTANT TO THE SECRETARY FOR JUVENILE DELINQUENCY
JUVENILE DELINQUENCY PROGRAM

A major step to develop an effective Federal program in the prevention and control of juvenile delinquency was taken with the passage of Public Law 87-274, The Juvenile Delinquency and Youth Offenses Control Act of 1961, in September 1961. This act, signed by the President on September 22, 1961, permits the Federal Government to (1) undertake demonstration projects in the field of youth services, (2) train personnel to work with young people in trouble, and (3) evaluate and disseminate the most effective ways of using resources to combat juvenile delinquency in local communities. It represents the results of the combined efforts of Congress, and interested individuals and private and public groups in the Nation, to provide an appropriate basis for Federal partnership with the States and local communities to demonstrate and develop programs which will help to solve the Nation's delinquency problems.

Responsibility for carrying out the provisions of the act is vested in the Secretary of Health, Education, and Welfare. In implementing the act, the Secretary is required to consult with the President's Committee on Juvenile Delinquency and Youth Crime. This committee was created by Executive order on May 11, 1961 to provide a vehicle for coordinating resources and encouraging cooperation among the various levels of government and private organizations.

The Committee is composed of the Attorney General as Chairman, and the Secretary of Labor and the Secretary of Health, Education, and Welfare as the two other members. It will stimulate experimentation and innovation in Federal youth programs, and will recommend ways in which the prevention, treatment and control of juvenile delinquency and youth crime can be made more effective. To assist in this task, the Committee has the services of a Citizen's Advisory Council, composed of 21 knowledgeable members representing both public and voluntary organizations.

Provisions of Public Law 87-274

Public Law 87-274 authorizes \$10 million a year for each of 3 fiscal years, ending June 30, 1964. For the current fiscal year, ending June 30, 1962, \$6,446,000 has been made available for obligation.

The sum of \$3,750,000 is being granted for the support of demonstration projects in local communities engaged in developing plans or programs of comprehensive service for youth. The Secretary is authorized to make such grants to public or nonprofit organizations which are capable of planning or operating a comprehensive program for the redevelopment of youth services in the local community. In addition, the sum of \$2,224,000 is being granted for the training of personnel in delinquency prevention and control work. The remainder of the funds for the current fiscal year, \$472,000 is being expended to provide necessary technical assistance services to community demonstration projects and training centers, to collect, evaluate and disseminate information on delinquency prevention and control, and to cover administrative costs.

Office of Special Assistant for Juvenile Delinquency

In order to carry out effectively the provisions of Public Law 87-274 an Office of Special Assistant for Juvenile Delinquency has been established in the Office of the Secretary. The main function of this office is to receive and process applications for the demonstration and training grant programs, and to service the technical review panels which will provide professional recommendations on the applications received. There are three such panels: 1 of 10 members for demonstration projects; another of 10 members for training grants, and the third of 5 members for information studies and technical assistance activities. The Office of the Special Assistant also has the responsibility for coordinating activities concerned with delinquency programs among the member agencies of Health, Education, and Welfare. In addition, it maintains day-to-day working relationships with the staff of the President's Committees to insure an interdepartmental outlook in developing the total Federal delinquency program.

Although the administration of the granting process and policy implementation is lodged in the Office of the Special Assistant, appropriate departments and agencies have been delegated responsibility for providing specialized services and technical assistance to local communities. Administration of the new Federal delinquency program therefore, places increased demands on the personnel of the Children's Bureau and the Office of Education, within the Department of Health, Education, and Welfare, and on the personnel of the Departments of Labor and Justice. Consequently, funds were made available in a 1962 supplemental appropriation for the Juvenile Delinquency and Youth Offenses Control Act to augment these respective staffs. The aforementioned operating agencies and departments will assist in handling requests from demonstration project communities, and will provide consultation to develop field services and training programs.

The charts at the end of this report present in graphic form the structure and relationship of the President's Committee and the Office of the Special Assistant for Juvenile Delinquency.

The grant programs

Application forms and instructions have been prepared and distributed widely to communities and training agencies wishing to develop a project in cooperation with the Federal program on delinquency. Many inquiries have been made by communities and training centers throughout the country and great interest has been shown in participating in the Federal program. Completed applications are now being received and two review periods have been fixed for March and June 1962. The review dates for March and June are established in order to allow communities and training centers sufficient opportunity to prepare their applications for submission.

To answer the numerous inquiries received about the Federal program, a document has been prepared and distributed explaining the program under the title "The Federal Delinquency Program: Objectives and Operation Under the President's Committee on Juvenile Delinquency and Youth Crime, and the Juvenile Delinquency and Youth Offenses Control Act of 1961 (Public Law 87-274)." This document has been distributed with all application forms. It provides a broad review of the objectives of the Federal program, the nature of delinquency and related youth problems that are addressed by the program, the administrative organization of the President's Committee and staff established under Public Law 87-274, and detailed information on the application process for the demonstration and training grants.

The members of the technical review panels have been appointed and the demonstration and training panels have held initial meetings to establish the criteria that will be employed in reviewing applications for the grants. In

subsequent meetings, the review panels will evaluate applications and make recommendations to the Secretary and to the President's Committee on the various applications received.

Several of the member agencies of Health, Education, and Welfare have their own research and demonstration funds which can be used to explore delinquency problems within their own specialized area of professional concern. The National Institute of Mental Health, the Children's Bureau, the Office of Education, the Office of Vocational Rehabilitation and the Division of Program Research of the Social Security Administration, all receive and process applications for specialized research projects on different related aspects of the total delinquency problem. An administrative arrangement has been set up to coordinate the granting activities of these agencies in the field of delinquency. The Office of the Special Assistant for Delinquency serves as a clearinghouse for the delinquency project applications received and acted on by the member agencies of the Department.

The member agencies continue to process applications through their own technical review committees that deal with their particular aspect of the delinquency problem, such as mental health, child welfare, education, etc. However, the Office of the Special Assistant will coordinate grants by the special agencies and grants under Public Law 87-274, in those cases where an applicant requests support beyond the jurisdictional limits of any one of the member agencies of the Department. This continuation of the specialized experimental research and demonstration work in the delinquency field by the operating agencies of the Department permits the funds under the delinquency bill to be used in a flexible manner to develop comprehensive demonstration and training projects which deal in an integrated way with all parts of the delinquency problem of a community.

The demonstration project program

It has long been recognized that the problem of juvenile delinquency cannot be solved by the sole efforts of any single specialized service working alone, such as mental health therapy, remedial education, vocational training, family casework, or police enforcement. Rather, it requires the coordination of a variety of specialized services in a comprehensive program. This type of attack has now been made possible by section 3 of Public Law 87-274, which authorizes the Secretary of Health, Education, and Welfare to make grants to public and private agencies and organizations for demonstration projects.

A primary target in the field of delinquency prevention is to show what a fully mobilized community can do to control its delinquency problem. Several communities will be selected to demonstrate effective coordination of services. Scattered throughout the country are outstanding school, work, counseling, recreational, and social service programs, but there is no single locale where all these desirable projects have been brought together to demonstrate what a complete program can do. The Federal Government will provide leadership, "seed money," and technical assistance in creating such model projects. Grants, however, depend on the degree of local commitment and investment in a total program.

Each community undertaking a major demonstration effort is required to create a comprehensive plan for youth development. This involves coordinating sufficient knowledge, resources, and trained personnel in the same community, so that maximum impact on delinquency can be achieved. Technical assistance is being furnished to these communities to develop their plans and bring about the necessary coordination. Two cities are already forwarding detailed plans and applications for major demonstration programs for the redevelopment of youth services within the most deteriorated central areas.

A number of communities that have indicated an interest in participating in the Federal program have not yet developed adequate plans to qualify for support of major action programs. Many of these communities are now applying for planning grants to assist them in assessing their resources for youth services, identifying gaps in these services, and planning a coordinated approach to fill these unmet needs. Numerous cities throughout the country are now setting up central planning organizations of public and private agencies which can represent the various youth services essential to a comprehensive plan. It is estimated that approximately 20 communities will be eligible to receive planning grants from the appropriation for the current fiscal year.

To assist these communities in planning their action programs of youth services, the President's Committee and the member agencies of the three Departments have collaborated in a national inventory and survey of youth service programs and program ideas that have proved promising. Information has been collected on all of the programs thus far identified in the area of youth education, employment, correctional treatment, family welfare, and recreation services. This information is being analyzed and distributed by the technical assistance staff in the Federal Departments and the President's Committee to the communities requesting help.

The training grant program

When Congress enacted Public Law 87-274 it recognized the lack of adequately trained workers in the delinquency field. Through section 4 it authorized the Secretary of the Department of Health, Education, and Welfare to make grants for training personnel now employed or preparing for careers in the area of juvenile delinquency and youth offenses. The increase in delinquency rates and the lack of skilled personnel makes it imperative to supplement the training of those engaged in full-time work with delinquents, such as police, judges, probation officers, correctional institution staff, parole workers, and youth gang workers in a community. At the same time, short-term training must be provided for teachers, employment counselors, family welfare workers, volunteers and others who daily influence the lives of young people. To achieve these objectives, support is being given for the establishment of training centers and short-term traineeships, such as institutes, workshops, and seminars, and special projects for the development of training material.

The number of persons capable of providing specialized training is limited, and thinly dispersed in different communities and operating agencies. Consequently, in order to train as many individuals as possible, a number of training centers are being developed throughout the country. These will be located principally at universities interested both in developing training programs in delinquency prevention and control and in servicing the training needs of various agencies, groups, and communities throughout the area. A number of potential training centers are now making applications for support and it is expected that approximately nine such centers may be established with the funds available in the current fiscal year. These centers are being required to demonstrate: (1) Teaching competence; (2) an ability to coordinate a range of relevant disciplines; (3) willingness to share costs, (4) adequate physical facilities for housing the center, (5) access to target populations. The focus of training in the centers will be upon improved means for integrating the adolescent, especially the problem adolescent, into total community activities. Such a focus places heavy emphasis upon prevention and rehabilitation, and also upon the correctional treatment programs. Grants are also to be made to universities and other training agencies capable of providing effective training in workshops, institutes, or other short-term training experiences. Special consideration is being given to the support of training programs which will lead to the development of new training material through analysis of the everyday issues and decisions which various types of practitioners in youth services must face. Priority is also given to applications which demonstrate new methods of training or that open up training possibilities with new groups of workers not now being reached by current programs of training.

Technical assistance and information studies

New staff has been added to the Children's Bureau and the Office of Education in the Department of Health, Education, and Welfare and in other units in the Departments of Labor and Justice. The additions provide the staff resources needed to supply specialized knowledge to communities and training centers on problems of youth development.

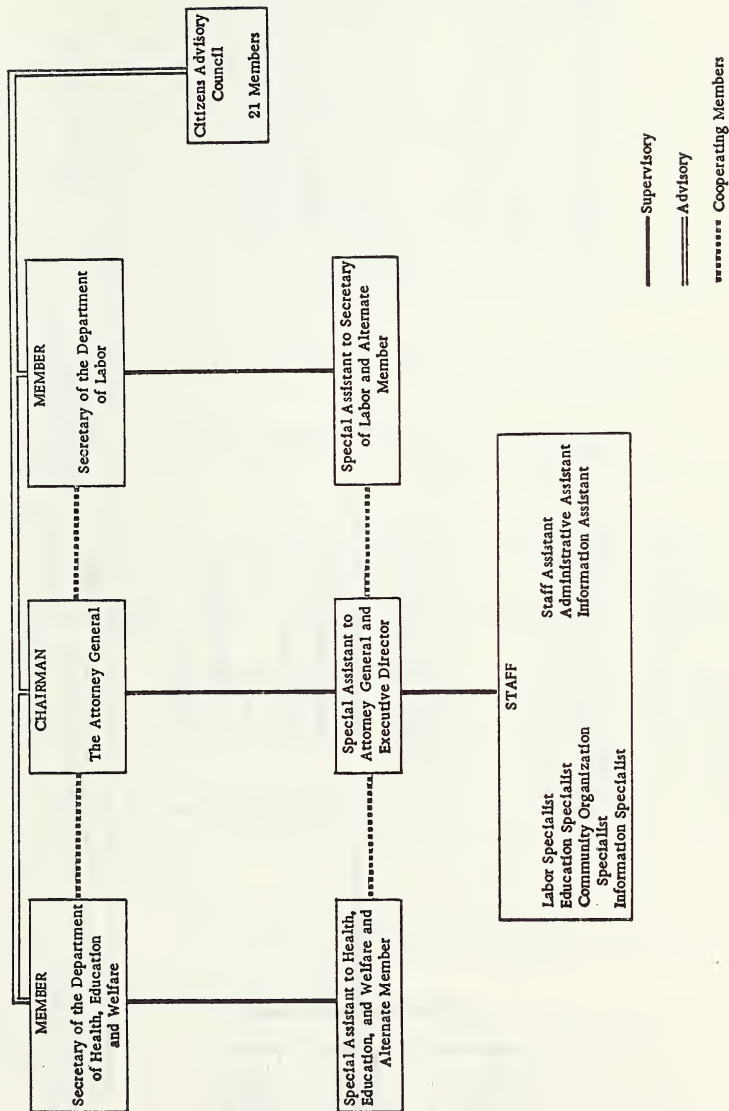
Greater activity has also been stimulated toward the collection and analysis of information on delinquency prevention and control programs. The staff of the Research Division of the Children's Bureau has been increased in order to handle these additional information studies required in connection with the new Federal program. A sample survey has been undertaken of juvenile court activities in 30 of our largest cities. This survey is designed to collect new types of information on delinquency problems in these cities. In developing these data collection procedures, close cooperation has been maintained with the FBI and with the President's Committee on Juvenile Delinquency and Youth Crime. Through the President's committee cooperative relationships are also being established for information purposes with national standard setting agencies in the field of youth problems, such as the National Council on Crime and Delinquency, the National Committee for Youth Employment, and the National Education Association. The staff of the President's committee is also organizing a referral unit to handle requests for information on delinquency from interested individuals and groups in local communities.

Plans for the future

During the current fiscal year efforts have been directed toward establishing a sound administrative organization for implementing the objectives of Public Law 87-274. This has been a period for developing an appropriate set of policies and criteria for reviewing grant applications, and making initial grants for service or planning programs and training activities. During the fiscal year 1963, heavy demands can be anticipated on the staffs of the operating agencies to provide technical assistance to communities which are planning programs for demonstration or training purposes. In the budget request for 1963, the new Youth Development Project Staff units in the Children's Bureau, the Office of Education, and the Departments of Labor and Justice will be augmented in order to handle this increased request for help. The coming fiscal year will be a period in which the lines of development already established will be strengthened and refined to be as responsive as possible to the needs of communities for demonstration and training programs. It is anticipated that in this year a clearer picture will begin to emerge of the need throughout the country for Federal participation in support of youth service or training programs.

PRESIDENT'S COMMITTEE ON JUVENILE DELINQUENCY AND YOUTH CRIME

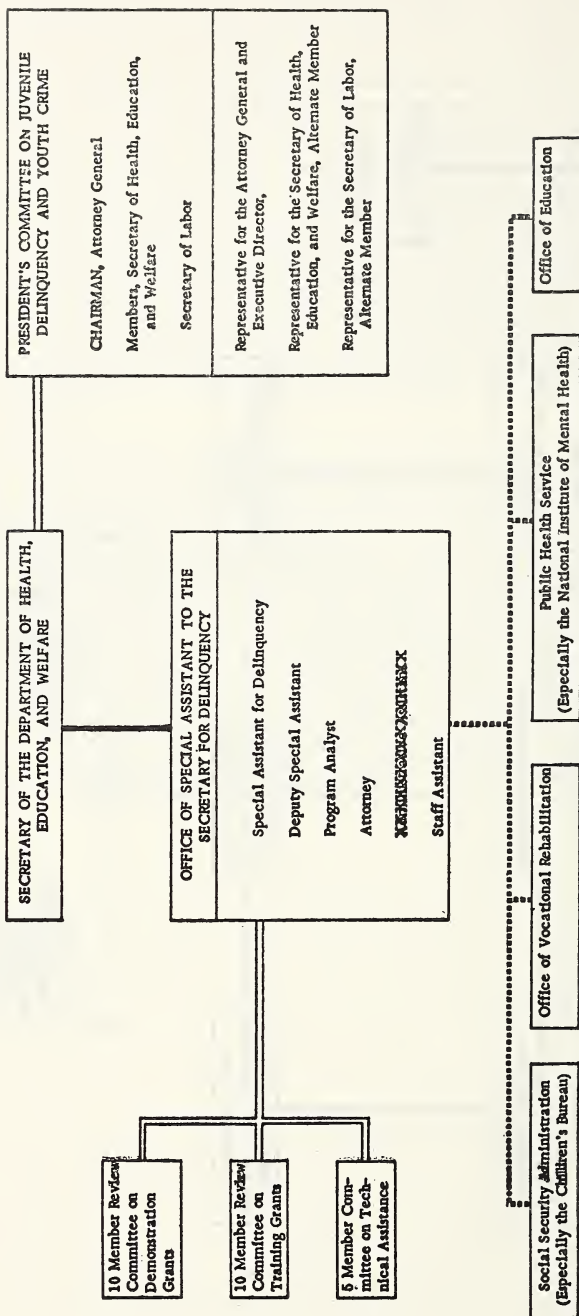
EXECUTIVE ORDER #10940, MAY 11, 1961



JUVENILE DELINQUENCY AND YOUTH OFFENSES

CONTROL ACT OF 1961

P.L. 87-274, September 22, 1961



Supervisory

Advisory

Coordinating

OFFICE OF EDUCATION

JUVENILE DELINQUENCY PROGRAM

The Office of Education has a direct interest in any problem which may prevent the achievement of State, local, and national educational objectives for all children and youth. Office of Education activities in the area of juvenile delinquency focus primarily on the preventive aspects of the problem. Educational problems closely associated with delinquent behavior of children and youth include educational retardation, reading deficiencies, language handicaps, emotional disturbances, underachievement, absenteeism, and school dropouts. The Office of Education has a number of activities in the areas of juvenile delinquency; school social work; guidance, counseling, and testing; exceptional children and youth; and cooperative research which bear directly upon the antecedent problems of juvenile delinquency and the educational contribution to the prevention of juvenile delinquency.

The Office, just recently, started to provide professional consultative services to State and local agencies in the development, implementation, and evaluation of projects under Public Law 87-274 for the prevention and control of juvenile delinquency; to collect and disseminate information relative to educational practices in the prevention and control of juvenile delinquency; and to develop and maintain liaison among educational agencies and other agencies concerned with the prevention and control of juvenile delinquency.

During fiscal year 1963, the Guidance, Counseling, and Testing Section of the Office will conduct studies, provide consultative services, and prepare publications in such relevant areas as pupil personnel services, school dropouts, and underachievement.

School social work contributes to more effective educational and social functioning through its services to pupils and their families. Juvenile delinquency prevention is an assumed byproduct of more successful social and academic functioning.

A specialist in the Office of Education for school social work will focus, through consultative services and publications, upon strengthening both State and local school social work programs and assuring an orderly development of new ones. During fiscal year 1963 basic information will be collected on school social work programs throughout the country which will include staff practices, characteristics of school social workers, inservice training programs, and worker-pupil ratios.

Several projects conducted by the staff on exceptional children and youth include children often classified as delinquent. A bulletin was published in 1957 on "Teachers of Children Who Are Socially and Emotionally Maladjusted" and a survey made in 1960 of State certification requirements for special education personnel includes requirements for teachers of these children. Studies being made at this time which include provisions for children with these handicaps are: Enrollments in special education programs in local and residential schools; colleges and universities with preparation programs for special teachers; State financial provisions for special programs; and State legislation. Several of these projects have been conducted as recurring studies and comparable data are contained in earlier publications.

The cooperative research program of the Office of Education has continued and increased its support of extra-mural research projects designed to increase our understanding of the problems involved in juvenile delinquency and the role which the school can play in them. To date a total of 11 such projects have been initiated of which 6 have now been completed.

One of the early studies resulted in the development of two measures of delinquency proneness: (1) A group measure to be used with slow learning or retarded children, and (2) a rating scale to be used by classroom teachers. Another study which was specifically concerned with the mentally retarded revealed that many such children were not being identified at a low enough level in school so to receive help in adjusting to their capacity. As a result, the children were unable to achieve their normal expectation according to their potential thus becoming a delinquent, and later, an adult with a police record and/or failing in the armed services.

Another project, focusing on vandalism as a special form of juvenile delinquency, found that a relationship existed between the amount of damage at a school and the "morale" of persons associated with that school—students, teachers, and parents. The amount of vandalism seemed to increase with the failure of the school, as a community organization, to meet the needs of those associated with it.

Repeated acts of delinquency among boys aged 14 or younger were the focus of another study. It was concluded that difficulty in school is not a key factor in determining whether a boy of below average intelligence will or will not repeat acts of delinquency. Boys whose test scores of mental ability are low generally have scholastic difficulties, but these problems in themselves do not predict repeated delinquency. Rather, the repeaters and the nonrepeaters are differentiated by failures in social or interpersonal relationships.

A study of approximately 21,000 boys and girls in grades 7 through 12 provided extensive information about their standards of conduct and values. A major conclusion was that delinquency is communicated as a form of behavior. In other words, delinquency is learned by association. Adolescents of generally high social status who are not ordinarily likely to become delinquent have a much greater chance of doing so if they are in an environment where there are already many delinquents. On the other hand, low-status boys whose chances in life favor delinquency seem to run little risk of becoming delinquent in a high-status environment.

These results suggest that any way of organizing either communities or schools to minimize the status differences within them might actually reduce the rate of delinquency.

A similar study dealt with the social climate existing in our modern high schools. Although the study did not concern itself specifically with delinquents, it did provide information about the sources of adolescent values which seem to reflect the dominant themes and the heroes presented through mass media. For example, about two-thirds of the boys in all of the schools studied aspire to be nationally famous athletes or jet pilots rather than atomic scientists or missionaries, and at least one-third of the girls aspired to be models. The discrepancy between these aspirations and the possibility of achieving them is most likely to be a contributing factor in delinquent behavior in many individuals.

Among the studies which are still in process, there is the promise of further information about delinquency. One study will examine the interpersonal behaviors of the delinquent and will examine the responses of parents and teachers to delinquent behavior to determine to what extent these responses may cause further delinquent behavior. Another study is seeking to find out whether a boy's status within the school is crucial in his choice between delinquent and law-abiding friends. Here it is hypothesized that boys whose interpersonal status with classmates and teachers is definitely low are more likely to acquire delinquent friends than are boys of high status. It is further hypothesized that the loss of status in school occurs in two stages—first a boy falls into disfavor with teachers and then he begins to experience disapproval by classmates. Such information will have clear implications for programs designed to prevent delinquency within the educational system. A third study of similar nature seeks clarification of knowledge about antagonizing behavior and rejection by one's peers. This project is planned to provide implications for mental health policy in education as well as for broad programs of effective social action.

Two other studies are seeking to evaluate school programs designed to prevent delinquency. One of these, which is known as the higher horizon program for underprivileged children, seeks to enrich the child's education through experiences not usually included in a school program. The other is an evaluation of the all-day neighborhood schools which also provide experiences beyond the normal school offering.

In summary, then, these research undertakings are attempting to provide information about delinquency which will be of value in shaping the school program. Thus the Office of Education is joining with other agencies in contributing to the final solution of the total problem of juvenile delinquency.

OFFICE OF VOCATIONAL REHABILITATION

JUVENILE DELINQUENCY

While the State-Federal program of vocational rehabilitation is not committed to work with the juvenile delinquent per se, since the program is designed for the vocational rehabilitation of the physically and mentally handicapped, it is recognized that this goal has important bearing on the ultimate behavior of children in families. It is a well known fact that family life is seriously disrupted when the wage earner becomes incapacitated with the result that income is greatly diminished and standards of living are significantly lowered. In like manner the inability of the housewife and mother to fulfill her normal obligations seriously jeopardizes the normal development of the child. Thus by reducing dependency and idleness with their inherent dangers and restoring or main-

taining the unity of family life vocational rehabilitation plays a large part in reducing the potential for delinquency.

More directly offering vocational rehabilitation services to adolescents or those approaching the working age is a powerful agent in the prevention of delinquency.

The emotionally disturbed child is one who frequently acts out his anger and frustrations and thereby encounters difficulty with the law. Too often he has been labeled delinquent without the necessary exploration into the causes of his behavior and too often the need for treatment has been ignored.

Since 1955 the Office of Vocational Rehabilitation has supported in part 51 research and demonstration projects concerned with the rehabilitation of persons with mental and personality disorders. Many of these have included those under 20 years of age. Two projects are specifically directed toward the adolescent.

A project at Children's Village, Dobbs Ferry, N.Y. is designed to demonstrate in a day-care setting the feasibility of effective comprehensive rehabilitation service in meeting vocational and social needs of emotionally disturbed delinquent adolescents.

At the Butler Health Center in Providence, R.I., a project is in progress to evaluate in a day-care setting the effectiveness of psychiatric treatment and vocational services for emotionally disturbed adolescents whose condition would otherwise hinder their successful employment or further education.

The mentally retarded individual tends to harbor an inferior image of himself. Inadequate education and social ostracism have forced him into a world of loneliness and isolation. Seeking human companionship, acceptance, and recognition he becomes easy prey for those who seek to make use of him in antisocial activities.

Of the 15 research and 23 selected demonstration projects currently in operation under the Office of Vocational Rehabilitation Research and Demonstration program, a majority provide services primarily to the mentally retarded youth. Learning good work habits, acquiring job skills and acceptable social conduct prepares him to become a useful and self-respecting member of society and the danger of his succumbing to undesirable influences is considerably lessened.

By no means are all services provided the emotionally disturbed or mentally retarded youth confined to the programs under the special project grant authority. Much has been accomplished through the general program of the State agencies. Many State agencies have served the mentally retarded youth in particular either through extension and improvement projects or under the basic program by developing rehabilitation facilities, assigning special counselors to work with the school systems, State training schools, etc.

We believe that the vocational rehabilitation program is an effective means of combating juvenile delinquency and that it could extend further into this area. A survey of the training schools in the States would reveal large numbers of physically and mentally handicapped youths for whom vocational rehabilitation services would spell the difference between recidivism and permanent rehabilitation.

NATIONAL INSTITUTE OF MENTAL HEALTH

SPECIAL REPORT: JUVENILE DELINQUENCY

Extent of the problem

Juvenile delinquency is a problem which continues to merit the serious concern of the people of the United States. The number of delinquency cases disposed of by juvenile courts in the United States has risen for 12 consecutive years. In fact, the number of such cases increased by more than three times between 1948 and 1960. And although the child population of delinquency age increased by about a third during this period, the actual delinquency rate per thousand children of delinquency age more than doubled. It is reliably estimated that 1 boy in 5 in this country has a delinquency record by the time he is 18 years old. It can, of course, be argued that many of the offenses that are counted in establishing this figure are relatively minor. This is true, but there are other reasons for regarding the official statistics as indicating only the part of the iceberg that shows above the surface. For example, it is reported by the Children's Bureau that for every child who becomes a juvenile court statistic there are two or three who are dealt with informally by the police even though they may have committed similar offenses. In addition, the Federal Bureau of

Investigation indicates that for all reported major crimes in the United States only about 1 in 4 results in an arrest.

But there are other serious considerations. Even if the delinquency rate levels off, the problem will increase by about 50 percent by 1980, since the child population of delinquency age will increase by about 50 percent in the next two decades. In addition, in the next decades many more of the people of the United States will be living in or near big cities. At present the big city delinquency and adult crime rates are at least three to four times the rural and small town rates. It seems likely, therefore, that as the Nation becomes more urban the delinquency and adult crime rates will continue to rise.

The report to Congress

In view of this situation, in the spring of 1959 the House Appropriations Committee requested the National Institute of Mental Health to collaborate with the Children's Bureau in preparing a comprehensive report for the Congress on juvenile delinquency. The report was submitted in February 1960, and with its appendixes supplies a new source of documentation concerning delinquency.

Needed tasks

When the report was completed, it was apparent that a number of needed tasks must be accomplished if adequate control of the problem is to be achieved. These tasks involve the following areas: (1) demonstration projects, (2) training projects, (3) broad support of basic and applied research, (4) the development of evaluative research instruments, (5) a research and information center, (6) National, State, and local surveys of delinquents, (7) theory development, (8) collaboration with private effort, and (9) collaboration with other Federal agencies.

(1) *Demonstration projects.*—It is important to determine how effective present knowledge, skills, and resources can be when adequately mobilized to meet the problem. Demonstration projects must be undertaken to attack the problem at various stages of its development. Attention needs to be given to early prevention, to early identification of predelinquents, to effective treatment at the time of the first offense, and finally, to the rehabilitation of the chronic offender.

(2) *Training projects.*—Because of the great shortage of trained personnel in the delinquency field it is important that training projects be inaugurated which develop and test training methods for all types of both professionals and nonprofessionals.

(3) *Broad support of basic and applied research.*—Since research investigation of the delinquency field is only in its beginning stages, it is important that a wide range of research approaches be supported.

(4) *Development of evaluative research instruments.*—Since there are no widely accepted techniques and instruments for evaluation of the effectiveness of delinquency programs there is need for the development of methods by which both small programs aimed at a few individuals and larger programs which attempt to deal with the problem on a citywide basis are evaluated.

(5) *Research and information center.*—Another high priority need is for an information center in which research and service projects in the field can be described, cataloged, and made available to professionals and other interested persons in the field through journals, digests, collections of abstracts, series of monographs, films, etc.

(6) *National, State, and local surveys of delinquents.*—As indicated in the introduction of the report to Congress, national data regarding the extent and nature of the problem are very inadequate at present. When a national rate increase is reported by the Children's Bureau this increase cannot be evaluated in terms of type of offense, proportion of chronic or recidivated delinquency involved, or segments of the juvenile population involved by socioeconomic status, ethnic group, age, family composition, etc. Given the present state of our knowledge, it is difficult to determine how seriously or in what ways such rate increases should be dealt with. If the increase is mainly in the area of minor traffic offenses and the mischievous behavior that is characteristic of adolescents, the problem may not be one of national concern. If, on the other hand, the rate increase consists primarily of the more serious offenses, as it is believed, and represents an increase in the chronic antisocial type of delinquent, the problem becomes very serious indeed, and requires much different control measures.

(7) *Theory development.*—The foregoing needs must be met if the meaning of the problem for the United States is to be evaluated and immediate measures for attacking the problem undertaken. At the same time, however, planning

for a more systematic theoretical long-range approach should be initiated. This is required because no experienced person in the delinquency field feels that an adequate understanding exists at present regarding the processes which are involved in the development of the many different types of delinquents existing in our society. It is important, therefore, that mental health and social science theory relating to juvenile delinquency be organized into as coherent a whole as possible and then divided into areas or subunits which are amenable to scientific investigation. Once such areas are identified they can be carefully analyzed by groups of experienced professionals in the field with a view to designing, initiating, and conducting appropriate research and demonstration projects in these areas.

(8) *Collaboration with private agencies.*—It is also important that collaboration with private agencies in the field be sought, since such agencies as the Ford Foundation, the National Council on Crime and Delinquency, the National Council of Juvenile Court Judges, the American Public Welfare Association, and others are actively concerned with the problem.

(9) *Collaboration with other Federal agencies.*—Such collaboration is obviously necessary as a comprehensive Federal attack on the problem is undertaken.

The current Institute delinquency program

Following the submission of the report to Congress, \$1 million were earmarked in the 1961 Institute budget and \$2.2 million in the 1962 Institute budget for delinquency projects. The 1962 allocation was distributed by the Institute as follows: \$1.6 million for demonstration projects, \$300,000 for regular research grant projects, and \$300,000 for professional training projects. In addition, an effort was made to see to it that the activities listed above, which are deemed necessary for a telling attack on the problem, were carried on effectively. The following accomplishments can be reported at this time.

(1) *Demonstration projects.*—A number of demonstration projects are in operation involving approximately \$1,700,000 in 1962 funds. In addition, it is estimated that at least \$300,000 in new grants may be approved for payment from 1962 funds before the end of the year.

(2) *Training projects.*—It is estimated that \$400,000 will be allocated from 1962 funds. Approximately \$650,000 in applications are being reviewed. It is expected that there will be a backlog of \$100,000 in projects approved but not awarded in 1962 because of shortage of funds.

(3) *Broad support of basic and applied research.*—Approximately \$1 million has been awarded thus far for delinquency research projects in fiscal 1962. It is estimated that another \$150,000 more will be awarded for such projects in fiscal 1962.

Thus it is anticipated that during 1962, funds in excess of \$3.5 million will be utilized for delinquency projects.

(4) *Development of evaluative research instruments.*—Preliminary reports regarding one large-scale evaluation instrument will be available in the spring of 1962. This project is being developed in New York City and will yield valuable information regarding the extent and nature of the problem.

(5) *Research and information center.*—An NIMH-supported research and information center is now well organized at the National Council on Crime and Delinquency. Here, not only national but worldwide information on research and action projects is being collected and prepared for dissemination. The staff of this center has also given valuable consultation to the President's Committee on Juvenile Delinquency and Youth Crime, and to the staff of the DHEW delinquency program.

(6) *National, State, and local surveys of delinquents.*—Investigations are continuing in three cities preparatory to undertaking a nationwide study of the extent, trends, and nature of delinquency. In addition, NIMH staff members are collaborating with the President's Committee and with the DHEW staff in planning the gathering of national data.

(7) *Theory development.*—In collaboration with the Ford Foundation, NIMH has supported two conferences concerned with theory development and research strategy in the delinquency field. In addition, investigators from several NIMH delinquency projects have been brought together to share concepts, theoretical approaches, and research instruments.

(8) *Collaboration with private agencies.*—As indicated above, active liaison is being maintained with the Ford Foundation and the National Council on Crime and Delinquency. In addition, NIMH has supported a pilot training project sponsored by the National Council of Juvenile Court Judges and the national training laboratories, and is considering the possibility of further training support of juvenile court judges. Staff liaison is also maintained with

the American Public Welfare Association and the Council on Social Work Education.

(9) *Collaboration with other Federal agencies.*—With the inauguration of the President's Committee and the new grants program in DHEW, considerable collaboration between NIMH staff with the staffs of these programs has been appropriate. It is our impression that a close, effective working relationship has been achieved so that the NIMH delinquency program can perform a substantial and appropriate role in the Government-wide offensive against the delinquency problem.

JUVENILE DELINQUENCY PROGRAM, CHILDREN'S BUREAU

Soon after its creation in 1912, the Children's Bureau began studies in the field of juvenile delinquency. Within the limits of its small staff and funds, the Bureau carried on activities in this field continuously. In January 1952, the Bureau began an intensive review of the problems of juvenile delinquency and of provisions and procedures that had been developed to meet these problems, including its own program. In July 1952, the Bureau established a Juvenile Delinquency Branch in its Division of Social Service. This new branch was set up to work closely with a special juvenile delinquency project sponsored by the Bureau and financed by various foundations.

Early in 1954, the Children's Bureau released its publication, "Standards for Specialized Courts Dealing With Children." This was developed by the Children's Bureau in cooperation with the National Council of Juvenile Court Judges and the National Council on Crime and Delinquency. This publication has had a major positive impact on the field. It has been cited in numerous articles appearing in law reviews and social work journals. It has received judicial recognition in the decisions of both State and Federal courts, and its use led to several decisions prohibiting the transfer of juveniles from juvenile institutions to adult penal institutions. Its principles are already appearing in State legislation. It is being translated and used in foreign countries. It was also heavily relied upon in the development of the recent Standard Family Court Act and the revision of the Standard Juvenile Court Act. These acts were the result of a joint project of the National Council on Crime and Delinquency, the Children's Bureau, and the National Council of Juvenile Court Judges. Four States have already passed legislation drawing heavily from these acts. Several States are presently working on legislation and all have relied on Children's Bureau consultation.

In August 1954, Congress made a supplemental appropriation of \$75,000 to the Bureau to enable it to expand its services in juvenile delinquency. In October, the Secretary of the Department took the first step in this direction by authorizing the creation of a Division of Juvenile Delinquency Service in the Children's Bureau.

The new Division of Juvenile Delinquency Service was set up to provide technical assistance to public and voluntary agencies and to develop standards, guides, and methods relating to various types of service and care for delinquent children. The fields covered include police work with juveniles; courts and probation services; institutional care for delinquent children, including training schools, forestry camps, and detention care; legal aspects of delinquency, including legislation, community coordination and planning for the prevention, control, and treatment of delinquency; group work with delinquent children and potentially delinquent gangs; and training programs for personnel, professional and nonprofessional, working with delinquent youth.

In addition, the Division of Research was slightly enlarged in order to permit it to give more attention to studies relating to juvenile delinquency.

The Delinquency Branch of the Social Services Division was transferred to the new Division. The Division of Social Services, through its grant-in-aid program to States for child welfare services and its consultation service, continued its efforts to safeguard children and young people who seemed especially likely to commit delinquent acts.

Regional child welfare staff continued to consult with citizen groups, public welfare administrators, legislators and legislative commissions on community needs, resources, and legislative action to safeguard children, including juvenile delinquency.

Among the early appointments to the staff of the Division of Juvenile Delinquency Service was a consultant on police services. Since police services in relation to juveniles had received little attention, no program guides or stand-

ards of services had been developed—this in spite of the fact that police functions are intimately related to those of other agencies: courts, schools, and welfare agencies—and the police department in the community often has contacts with more children than the court and welfare agencies.

In 1954, the Children's Bureau in cooperation with the International Association of Chiefs of Police issued a report, "Police Services for Juveniles" (C.B. Pub. 344), that brought together current opinion and information about police services for juveniles, particularly for those children and young people who came to the attention of the law because of delinquent behavior.

In May 1955 the Children's Bureau called a conference about the role of health services in the juvenile delinquency field. A number of State health department employees, pediatricians, obstetricians, psychiatrists, nurses, social workers, educators, and research specialists working on problem of child development and its relation to delinquency took part in it. The conference report was published under the title "Health Service and Juvenile Delinquency" (C.B. Pub. 353).

On the assumption that more was known than was being used and that psychologists and sociologists were not as much at odds as might appear, the Bureau in May 1955 called a conference to consider a change in the orientation of research on juvenile delinquency. Prof. Robert Merton and Dr. Erik Erikson were asked to comment on their theories as they bore on juvenile delinquency, and a number of theorists and practitioners discussed these and other viewpoints. A report of this conference, entitled "New Perspectives for Research on Juvenile Delinquency" (C.B. Pub. 326), was issued in 1956.

In 1954, the Children's Bureau became increasingly concerned over the fact that so many accusing fingers were being pointed at parents as being responsible for juvenile delinquency. Delinquency was again on the increase. Serious juvenile offenses appeared to be becoming more frequent. But was an attack on parents wise? Would it help or would it make things worse by adding to parental jitters? and was it fair? Were parents to blame? If so, what parents? to what extent? and in what ways? And if some children's delinquency was traceable to parental factors, by what means could parents be helped to carry out their responsibilities better?

So, the Bureau called a conference of a group of people—psychiatrists, settlement-house workers, social workers, psychologists, sociologists—whose professional work brought them intimate knowledge of delinquents, and their parents. These people met with representatives of the Children's Bureau for 2 days of discussion. The report, "Parents and Delinquency" (C.B. Pub. 349), published in 1955, is an account of what they said. They agreed "that blame and blind punishment of parents should be rejected and the necessity accepted of finding ways of helping parents to be effective parents."

A report on the findings of published research on the effectiveness of delinquency prevention programs, "The Effectiveness of Delinquency Prevention Programs" (C.B. Pub. 350), was issued in 1955. The report showed that well carried out evaluation studies of delinquency prevention are few in number.

To obtain more precise information on the total volume of juvenile delinquency, the Bureau in 1955 initiated a plan for collecting data from a representative national sample of 502 juvenile courts. Beginning in 1956, it was possible, therefore, for the Bureau to say with increased confidence that the number of juvenile court cases reported to it were representative of the country as a whole.

In 1955 also, the Chief of the Bureau appointed an ad hoc advisory committee to develop proposals for how to train individuals for work in the juvenile delinquency field. A thorough discussion of issues followed, and a tentative long-range policy about training was worked out.

As a step in this direction, a major educational project was undertaken in the summer of 1955. This took the form of a 6-week summer session for 24 teachers and practitioners of social work who were interested in education for the field of juvenile delinquency and adult corrections. This project was cosponsored by the University of California School of Social Welfare at Berkeley, the Council of Social Work Education, the National Probation & Parole Association, and the Children's Bureau.

Because of the nature of institutional programs, consultation by the staff in the Division of Juvenile Delinquency Service has often taken the form of surveys. Some were part of a statewide survey of services for delinquent children participated in or directed by other national agencies.

In addition to consultation, the Division of Juvenile Delinquency Service, like the other "service" divisions of the Bureau, spends considerable staff time on the development of program standards.

Along this line, a draft of a publication on standards for training schools was submitted to about 200 experts throughout the country as well as to a conference of specialists held in Washington in June of 1956. After further study and

review in the light of recommendations received, the publication was issued in 1957 as "Institutions Serving Delinquent Children—Guides and Goals" (C.B. Pub. 360).

Another area needing guide material was found to be that of group work services to delinquents. More than 15 years of experience had gone into providing this type of service in a few communities in the United States. But communication between these cities and those where such programs were only now being started was infrequent and unsatisfactory at best.

After observing a number of projects in operation and meeting with over 50 people, called together during a national conference on social welfare, the Children's Bureau decided to convene a national conference to consider problems in this area. Cooperation from the National Social Welfare Assembly, the National Association of Social Workers, and United Community Funds and Councils of America was secured in this endeavor.

The conference held in May 1957 was attended by more than 200 workers from cities in 22 States. It was a timely and productive meeting from which a beginning in setting principles and guides took place. The conference report "Youth Groups in Conflict" (C.B. Pub. 365), was immediately in great demand, considering the more or less limited focus of its content.

For several years preceding 1957, interest in the use of forestry camps as facilities for the care and treatment of delinquent children had been increasing. Standards have not been developed with respect to selection of youth, staffing, programing, or administration. Some programs and proposals show too much emphasis on work production and not enough on rehabilitation.

For these reasons, in 1957 the Bureau took steps to develop guide material on camp programs. During 1958, material was collected and analyzed. A number of camps were visited and their programs observed. A report on camps of this sort was published early in 1960.

A number of States in recent years have been concerned about the administration and structure of public child welfare and youth services. Along with this has come the question of how best to provide for the organization and administration of services to delinquents. The Bureau published "Principles and Suggested Language for Legislation on Public Child Welfare and Youth Services." This publication sets forth principles and also includes suggested legislative language which provides several organizational patterns for State structure of services for children and youth.

During the years since 1955, the Bureau has had to devote most of the time of its specialized staff in its Division of Juvenile Delinquency Service to meeting requests from States and cities for consultation on technical problems of juvenile delinquency control and treatment. Despite this heavy concentration, only part of the requests for consultation coming to this Division could be met—in some program areas, considerably less than half.

Consultation is provided by workers going into the field, by correspondence, and through office interviews. Each year, a wide variety of agencies and individuals have been served, including governors, mayors, judges, chiefs of police, State and local agencies, both public and private, including probation departments, training schools, police departments, universities, other national agencies, and a variety of citizens' groups concerned with the problem of juvenile delinquency. All the States, Puerto Rico, the District of Columbia, and the Virgin Islands have received this form of service from the Division.

The small size of the specialized staff in delinquency treatment and control and lack of regional representatives specializing in these aspects of delinquency further aggravate this problem. This Division of Juvenile Delinquency Service, however, has partially met the difficulty by working, whenever possible, with and through other national agencies or groups representative of delinquency control and treatment services, both State and local, and by stimulating the establishment of State consultant positions.

Analysis of child welfare services plans for fiscal 1959 showed that about half of the State departments of welfare were using Federal funds for activities and projects relating to juvenile delinquency.

Following its first experiment in training for work with juvenile delinquents, the Bureau held successive workshops in 1957 and 1958 related to training personnel in institutions. These were followed by publications in 1958-59. These workshops, financed through foundation funds, were carried out in cooperation with Rutgers University School of Social Work, National Council on Social Work Education, National Association of Training Schools and Juvenile Agen-

cies, National Conference of Superintendents of Training Schools and Reformatories, and the National Conference of Superintendents of Correctional Institutions for Girls and Women.

During 1957-58, surveys of local police departments in about a half dozen cities were completed. The process of factfinding, evaluating programs, and making recommendations led to the formulation of more general program guides and standards. A major project of this latter sort was initiated in 1959.

Plans were being made in December 1959 for a national workshop on the problems of training for probation services in juvenile courts. This project was carried out in cooperation with the National Probation and Parole Association, the Council on Social Work Education, and Wayne State University School of Social Work.

The President's Committee on Juvenile Delinquency and Youth Crime, established by Executive order in May 1961 and the Juvenile Delinquency and Youth Offenses Control Act, passed in September 1961, place heavy emphasis on the improvement in the collection and dissemination of information on juvenile delinquency. This has increased the activities of the Children's Bureau in the area of research and statistics.

In cooperation with the FBI the Children's Bureau has initiated a monthly report on delinquency cases disposed of by juvenile courts. The monthly report, to be used experimentally in the 30 largest U.S. cities, is designed to help overcome some of the limitations or deficiencies of the present juvenile court statistical reporting. It includes information on offenses committed, utilizing a classification very closely allied to that used in FBI Uniform Crime Reports, as well as information on the court's disposition of the case. Neither disposition nor offense data are currently included in the national juvenile court reporting.

Renewed emphasis is being placed on finding out more about delinquency programs, State and local structure, organization and responsibilities, etc., and also about the impact on relationship to delinquency of such factors as unemployment of youth, school dropout, economic and social conditions in communities. Information of this sort will provide community profiles showing the many factors to be considered in developing delinquency preventive and treatment programs.

Related to this emphasis, the Bureau staff have reviewed and cataloged for the use of the President's Committee all known new or unusual approaches to the treatment or prevention of delinquency. The Bureau also has made available to the Office of the Special Assistant to the Secretary for Juvenile Delinquency all basic materials in its files that might be helpful in implementing the training and demonstration grant programs of Public Law 87-274. The President's Committee has encouraged the appointment by Governors of a liaison individual or agency in each State to assist in the exchange of information. The Children's Bureau is working closely with these individuals and with other national organizations in the collection of information relevant to delinquency prevention and control. At the present, questionnaires on probation services are being developed by the Children's Bureau. In cooperation with other Federal agencies, questionnaires on school dropouts and employment of youth are also being drawn up.

Work is now progressing on a basic publication entitled "Police Contacts with Juveniles: Perspectives and Guidelines." This publication is being developed in cooperation with the National Council on Crime and Delinquency, the International Juvenile Officers' Association, the International Association of Chiefs of Police, and the International Women's Association. It covers such areas as police organization with respect to services for juveniles, procedures, record systems, and law as it relates to police activities in handling children and minors. It is hoped not only to develop program guides and standards in these areas, but also for use in building curriculum in the field of police training.

Another project now in the planning process is a workshop for State consultants in the area of juvenile delinquency. Almost one-third of the States now have such consultants and a number are planning to add such persons to State agency staff. This is designed not only to help these consultants in the area of program content, but also to stimulate closer working relationships and greater exchange of information between the State consultants and the consultants in the Children's Bureau. All of the States having such consultants have shown great interest in participating in the workshop.

Demands for consultation have been increasing. A major State survey covering various aspects of a program for delinquency is now going on and a similar request from another State has been accepted to be completed by the end of the fiscal year.

SOCIAL SECURITY ADMINISTRATION, DIVISION OF PROGRAM RESEARCH

JUVENILE DELINQUENCY

The Social Security Administration provides support for a broad range of research and demonstration projects which are significant to social security programs and social welfare, with emphasis given to studies which attempt to add to knowledge regarding the reduction and prevention of dependency. While this program is not currently supporting projects relating directly to juvenile delinquency, certain ongoing projects touch on some aspects of the problem. For example, several projects are concerned with the effects of financial dependency on the children of the families involved. This group is characterized by a large element of delinquent behavior. It is likely, therefore, that some of the findings resulting from such studies will provide additional insights with respect to the prevention of delinquency.

SPEECH AND HEARING

Mr. FOGARTY. We will place the statement on speech and hearing in the record, now. I am glad that we have something going in this field now although I think it still is not nearly enough.
(The statement follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PROGRAMS IN SPEECH AND HEARING

PREFACE

While statistics on the prevalence of speech and hearing disorders vary according to the standards and definitions employed in individual surveys, there is general agreement that the problem is of serious national proportions.

The U.S. National Health Survey has estimated on the basis of approximately 36,000 household interviews conducted during 1957 and 1958, that almost 7 million Americans have some type of speech or hearing disorder. The survey revealed that hearing loss is the leading type of physical impairment in the United States, with an estimated 5.8 million cases accounting for nearly one-quarter of the total number of all impairments. Well over 100,000 of this group were reported to be totally deaf.

In addition, the survey indicated that more than one million persons are afflicted with speech defects, for the most part related to stuttering, cleft palate, aphasia, laryngectomy, mental retardation, and cerebral palsy.

Without the proper treatment or training, it is unlikely that the individual with impaired speech or hearing will even realize his full mental or vocational potential. Unable to effectively communicate with others, he may find himself unequal to the demands of the school curriculum, or later in life, incapable of holding down a job commensurate with his real abilities. The feeling of isolation engendered by his disability may even lead to severe emotional disturbances and prevent him from achieving a normal social development.

Recent advances in medicine, education, and rehabilitation have shown that much can be done to assist the speech- or hearing-impaired individual to take his place as a productive member of society. While the technique employed varies with the severity and nature of the defect, almost all such individuals can be helped to at least partly overcome their physical handicap.

Often the defect may be removed or alleviated through medical or surgical treatment; in other cases, the handicapped individual may be helped to communicate through the use of artificial aids. Even when there is no possibility of restoring full powers of speech or hearing, a whole range of specially developed techniques can help the handicapped person to learn alternate means of communication, or to fully exploit whatever residual speech or hearing ability he may possess.

Unfortunately, a severe shortage of trained personnel in almost every field of endeavor concerned with speech and hearing has restricted the development of new remedial techniques and prevented large numbers of handicapped persons from taking advantage of those techniques already perfected. There continues to be an urgent need for people who have had considerable post-doctoral training in the fields of chemistry, pathology, neurophysiology, neurology, otology, and audiology to engage in speech and hearing research and to work directly with handicapped persons. In the area of vocational rehabilitation there is an insufficient number of trained counselors, psychologists, social workers, and other professional personnel concerned with speech and hearing problems, and

in the Nation's schools there are not nearly enough specially qualified educators to offer adequate services to the thousands of speech and hearing handicapped children.

Growing financial support in recent years has enabled four Department of Health, Education, and Welfare agencies—Office of Vocational Rehabilitation, Public Health Service, Office of Education, and the Social Security Administration—to attack the problems described above on an increasingly broad front. Obligations for programs concerned with research, dissemination of information, training, demonstrations and provision of services have grown from \$5.8 million in 1959 to an estimated \$13.9 million in 1963. Some of the many outstanding accomplishments to date include:

Establishment of a program in expansion of teaching in education of the deaf, under which approximately 360 scholarships and grants-in-aid are expected to be awarded during fiscal year 1963.

Growth of the Office of Vocational Rehabilitation long-term training program in speech pathology and audiology from 13 teaching grants and 42 traineeships in 1959 to an estimated 57 teaching grants and 415 traineeships in 1963.

Progress toward alleviating the shortage of research scientists in the field of speech and hearing through the awarding of grants to carefully selected schools of medicine.

Expansion of services providing captioned educational and feature films for the deaf to reach an audience of 92,550 persons during the second year of operation.

A 33-percent growth—6,082 to 8,100 (estimated) between 1959 and 1963 in the annual number of speech- and hearing-impaired persons rehabilitated.

A 150-percent increase—\$1,800,000 to \$4,500,000 (estimated)—between 1960 and 1963 in the annual amount obligated for the National Institute of Neurological Diseases and Blindness research projects concerned with hearing, equilibrium, and speech disorders.

DESCRIPTION OF PROGRAMS

In addition to the four Department of Health, Education, and Welfare agencies whose detailed progress reports appear below, the program of Gallaudet College, an independent institution supported largely with the help of Federal funds, is deserving of mention. The college provides advanced education for the deaf, a graduate department to train teachers of the deaf, and an extensive program of research. Affiliated with Gallaudet College is Kendall School, which offers elementary and secondary education for deaf children and serves as a laboratory for the training of graduate students. In order to accommodate the increasing numbers of deaf persons seeking higher education, this unique institution has expanded its enrollment from 433 in 1959 to an estimated 648 in 1963. Within the next 4 years, it is estimated that more than 1,000 students will be attending the college.

Obligations for programs in speech and hearing, fiscal year 1959—fiscal year 1963

Agency and program	1959	1960	1961	1962	1963
Office of Education:					
Expansion of teaching in education of the deaf.....				\$1, 179, 000	\$1, 500, 000
Cooperative research.....	\$204, 452	\$172, 986	\$159, 043	197, 000	200, 000
Captioned films for the deaf (including administrative expenses).....		72, 422	183, 144	250, 000	250, 000
Educational media research.....	10, 500	37, 658	42, 563	40, 000	40, 000
Subtotal, OE.....	214, 952	283, 066	384, 750	1, 666, 000	1, 990, 000
Office of Vocational Rehabilitation:					
Grants to States.....	3, 500, 000	3, 700, 000	4, 125, 000	4, 775, 000	5, 350, 000
Research and demonstration.....	359, 573	378, 800	365, 433	470, 000	660, 000
Training and traineeships.....	287, 146	440, 000	736, 000	1, 189, 000	1, 699, 000
Subtotal, OVR.....	4, 146, 719	4, 518, 800	5, 226, 433	6, 434, 000	7, 709, 000
Public Health Service: National Institutes of Health: Neurology and Blindness activities.....	1, 165, 411	1, 760, 093	1, 765, 439	3, 277, 000	3, 842, 000
Social Security Administration:					
Salaries and expenses, Children's Bureau.....		9, 937	14, 975	12, 982	12, 982
Grants for maternal and child welfare.....	272, 000	291, 000	349, 223	385, 000	385, 000
Subtotal, SSA.....	272, 000	300, 937	364, 198	397, 982	397, 982
Total, Department of Health, Education, and Welfare.....	5, 799, 082	6, 862, 896	7, 740, 820	11, 774, 982	13, 938, 982

OFFICE OF EDUCATION

Children and youth with speech disorders and impaired hearing (exclusive of the deaf) comprise about one-third of the approximately 6 million school-age children in need of special education. The largest number of these children have speech disorders. The remainder have hearing losses of various degrees.

These conditions if unalleviated are likely to interfere seriously with the pupil's ability to master the school curriculum or to achieve normal social development. Furthermore, if the pupil is neglected through the school years these conditions will almost certainly have a negative effect on the individual's employment potential. The schools have a dual responsibility in planning educational programs commensurate with the needs of children who have speech and hearing defects. The schools must provide the same overall educational opportunities available to all children, and, in addition, special help to alleviate the varying problems resulting from such conditions. There are also other children with speech defects who are receiving special education for their primary disability who need the help of speech or hearing specialists. Examples are children with crippling conditions, mental retardation, or emotional disturbance.

In spite of the schools' opportunity to aid these children, only about one-fourth of the total number in need is reported to be receiving speech correction, auditory training, or special instruction. Recent statistics indicated that of the number of school systems providing special education in the Nation only about one-half of them have programs for children whose major disability is a speech defect. Only about one-sixth of these school systems reported programs for children whose primary disability was impaired hearing. Even though this condition is deplorable, it should be reported that the number of school systems providing education for children with these disabilities doubled in the period between 1948 and 1958. Furthermore, it should be noted that from 80 to 90 percent of the children who are receiving these services currently are receiving this help in the Nation's schools.

The Office of Education staff on exceptional children and youth is continually working on the matter of professional preparation and standards, often in collaboration with official educational agencies and with private agencies concerned with the problem of speech and hearing. Apparently, one of the reasons for inadequate services in the schools of the Nation is the shortage of qualified special educators to work with these children.

There are two multiarea studies which bear on this problem. One, a survey of colleges and universities preparing special educators will provide information on the number and location of colleges and universities offering professional preparation for educators to work with children having speech and hearing defects; number of faculty; the number of major students enrolled; the number of degrees granted. Another is State certification standards for teachers of exceptional children. Preliminary data from this study show that nearly every State has established special requirements for speech correctionists and two-thirds have requirements for teachers of the hard of hearing.

There are two other multiarea status and opinion studies which will provide information on some aspects of the education of children and youth with impaired speech and hearing. One of these is a statistical survey of enrollments of pupils and numbers of teachers in both day and residential schools. The major part of this study will be done in 1963. Another is a compilation of State laws and regulations affecting the education of exceptional children. A third is concerned with State financial aids to local school systems for special education of exceptional children. In 1963 analysis will be made of special legislative provisions and special State financial aid. The annual directory of State educational personnel in State education departments will also be issued. Increased attention is also being given to the application of new knowledge through publications.

The Office of Education program on behalf of children with speech and hearing problems is currently concerned with the need for (1) more and better qualified personnel to work in the Nation's schools and (2) more information and scientifically tested knowledge and the dissemination of both of these.

ACTIVITIES IN THE FIELD OF THE DEAF

The Office of Education is currently engaged in a variety of activities in the education of the deaf. Some of these are part of larger programs benefiting all school-age children; others are part of the program for exceptional children and youth; two are specific to the field of the deaf. The two specific ones are those authorized by Public Law 87-276 (scholarships for teachers of the deaf) and Public Law 85-905 (captioned films for the deaf).

While the number of profoundly deaf school-age children is probably not more than 35,000, the human need of these children is very great. Their communication difficulties are so severe that they cannot receive an education without special help from the schools. It appears that about 27,000 deaf children are now receiving special education. Approximately two-thirds of these pupils are in residential schools and about one-third are in day schools.

The education of deaf children and youth is a complex process. The teacher of the deaf child has a dual responsibility. He is the one to help the child acquire and maintain a means of communication. At the same time, he is the one to provide the usual elementary and secondary curriculum offering, so that the children will master the basic skills for learning (reading, writing, and arithmetic), and also secure a concept of man's cultural heritage.

In the Nation there is currently a shortage of qualified teachers of the deaf. There is evidence also to suggest that a significant number of teachers now employed in this field have not yet fully met the professional standards required by their States and the various professional organizations. It is evident there is need both to prepare more teachers in the field of the deaf and to bring about the improvement of qualifications of some teachers already employed by the schools.

EXPANSION OF TEACHING IN EDUCATION OF THE DEAF

Because it is evident that there is a need to bring about the improvement of qualifications of some teachers already employed in the field, a scholarship program was authorized by the 87th Congress and became law on September 22, 1961. This program is designed to encourage and facilitate the training of more teachers of the deaf. A great shortage of trained personnel exists in this special field. There are approximately 2,700 teachers serving the approximately 27,000 deaf children presently enrolled in classes or schools for the deaf throughout the United States. Approximately 500 newly trained teachers are needed each year. Approximately 200 only are being professionally prepared each year in existing programs of teacher preparation in this special field.

It is expected that under the provisions of Public Law 87-276 approximately 260 undergraduate or graduate scholarships and grants-in-aid for the improvement of courses of training for teachers of the deaf or the development of such courses of training will be awarded to approximately 30 institutions of higher education which are approved training centers for teachers of the deaf or are affiliated with approved centers for the preparation of such teachers. It is anticipated that in the academic year 1963-64, 360 such scholarships and grants-in-aid will be available for allocation to approximately 30 institutions of higher education approved for such training programs.

CAPTIONED FILMS FOR THE DEAF

The captioned films-for-the-deaf program, a loan service administered by the Educational Media Branch of the Office of Education, has opened up new avenues for providing improved social services to the deaf on a local basis. During fiscal years 1960 and 1961, 40 feature-length films and 13 science educational films were captioned, providing educational, cultural, and entertainment films to enrich the lives of thousands of deaf persons. During the same period, contracts were negotiated for an additional 44 new full-length motion pictures as well as a small pilot group of 10 educational films.

Expansion of services to reach an audience of 92,550 deaf persons was the significant accomplishment during the second year of this program. This audience is represented by some 600 registered groups which included clubs and organizations of the adult deaf, schools and classes for the deaf, as well as churches and speech and hearing centers serving the deaf. Most available titles are subject to bookings extending as far as 2 years in advance and all prints are in constant circulation.

In fiscal year 1962, the program was further advanced by congressional action providing an appropriation of \$250,000, the maximum amount authorized by Public Law 85-905. These funds were utilized principally in the acquisition of 30 feature-length films and 20 others suitable for use in classroom instruction of the deaf. The education films were concentrated in the area of social studies in the primary and middle grades with films selected to demonstrate how this medium can help to broaden and sharpen the social awareness of the deaf child.

During fiscal year 1963 a relatively larger proportion of appropriated funds will be absorbed in costs of circulating materials already acquired, and additional film acquisition will concentrate upon feature films to serve the widest possible audience. Approximately 10 new educational subjects and 30 full-length pictures will be acquired during the year, with the total number of registered groups exceeding 700.

RESEARCH ACTIVITIES

Educational media research

Five research projects in the area of speech and hearing have been awarded under part A, title VII, of the National Defense Education Act.

Of the five projects, three, listed below, focus on the use of the media to correct the speech problems which arise from the cultural and lingual environment.

1. Improving language arts of bilinguals through audiovisual means (New Mexico Highlands University, January 31, 1962): A study of the effectiveness of teaching English (reading, speaking, and oral use) through audiovisual aids to fourth-grade students who come from non-English-speaking homes.

2. Speech improvement in elementary schools in Hawaii through the use of television (University of Hawaii, October 31, 1962): A comparison of three methods for improving the speech (articulation) of third grade pupils who come from a non-English-speaking environment.

3. Developing magnetic tapes for improving patterns of speech of southern migrants to northern urban areas and determining their effectiveness (Detroit Public Schools, June 30, 1962): A test of the speech improvement (eliminating or correcting certain nonstandard speech usages) of 10th grade students through a series of lessons in English usage recorded on magnetic tapes.

In summary, these projects should provide some insight into the relationship of language instruction through media and cultural and environmental dissonance with respect to (a) one particular bilingual group, (b) a multilingual community, and (c) a low socioeconomic group whose English usage is substandard. The project underway at New Mexico Highlands University uses a wide range of media with one particular bilingual group (Spanish and English). Conversely, the study in Hawaii is a mass improvement project concerned with the speech habits of a multilingual community. The project with the Detroit public schools applies the findings of research with language laboratories to the speech improvement of an English-speaking group from a culturally poor environment.

A fourth project, the development and evaluation of programed instruction in language for children with auditory impairments (University of Pittsburgh, May 31, 1962), is directly related to the teaching of English usage to the deaf and should provide a research basis for determining the practicality of programing language for deaf children.

To date, the findings of only one project have been reported. This project, closed-circuit television as a teaching technique for speech improvement in the public school system (University of Arkansas, Dec. 31, 1960), aimed at measuring the degree to which the speech (fundamental oral communication skills: vocal, articulatory, and listening) of third-grade children was improved through the medium of closed-circuit television. The medium was also studied as a technique for the inservice education of elementary school teachers. The findings did not show that closed-circuit television as used in this study makes a unique contribution to the speech improvement of third-grade pupils. Nor was there evidence of the effectiveness of television instruction to the inservice education of elementary school teachers. It should be noted that this study pioneered the field and that firm conclusions would have to be based on further testing.

It is expected that additional proposals for research will be received and supported in the area of speech and hearing. The following important factors will be considered in relation to media :

- (1) Production variables ;
- (2) Maturation and other readiness factors ;
- (3) Inherent learner abilities ; and
- (4) Appropriate criterion measures for the testing of the hypotheses.

Cooperative research

At the present time 27 cooperative research projects have been contracted that deal with speech, hearing, and language development handicaps. Sixteen of these are completed, 7 of which are concerned with speech and hearing handicaps possessed by mentally retarded children.

Some of the major findings from projects that dealt with the mentally retarded who have speech, hearing, and language handicaps are :

1. A technique has been devised which will provide a more valid measure of "true" hearing loss among mentally retarded children than was previously available. This finding will probably result in more nearly overcoming the problem of being able to determine whether a mentally retarded child does have a hearing loss or whether he just appears to have a hearing handicap due to his inability to respond to conventional methods of testing hearing loss.

2. A test has been developed, which can be used by teachers and speech therapists, that measures the level and change in the communicative effectiveness of mentally retarded children. As a result of this knowledge it will now be possible for teachers to teach more effectively particular communicative skills in the areas in which the children are found to be weak.

3. The results of one investigation have shown that mentally retarded children in the primary and intermediate grades are considerably lower in their reading level than on listening comprehension. At least with this age group, the best language channel for learning is listening. It appears, therefore, there is a need for systematic instruction in reading and writing.

4. Mental retardation, as the cause of delayed speech, has many times been erroneously assumed. One study revealed that 9 percent of the children diagnosed as being mentally retarded and who had delayed speech were misdiagnosed as to the cause of their delayed speech. Therefore, a new method was developed which improved the technique of determining the cause of delayed speech. This will certainly result in a more effective speech therapy program and especially for those who might have been misdiagnosed.

Examples of some of the major findings from nine completed projects in the general area of speech, hearing, and language development handicaps are :

1. It appears that auditory stimulation and training of very young hard-of-hearing children to take advantage of what residual hearing they have, and the deemphasis of visual stimulation results in an improved auditory orientation of the children. It seems that if they do have some hearing it will be "lost" if they do not learn to use what hearing they have when they are young ;

2. The assumption by a large number of people that speech and hearing handicapped children are highly motivated for improving their speech and/or hearing has been found to be not necessarily true. In an effort to meet this problem a new test has been developed which aids in determining the level of motivation these children have in relation to improving their speech and hearing. This knowledge concerning the child will assist the speech therapist and teacher in more effectively serving him ;

3. Previous research pertaining to the mentally retarded has shown that the retarded child is as much or more socially isolated in a regular class as he would be in a special class full time. This fact also has been found to be true with children who have moderate to profound hearing losses. These results have basic implications for special class organization in which the handicapped child has been placed in a regular class part time because it is "good for him" ;

4. One study has revealed no evidence that living in a residential school is generally detrimental to the development of deaf children. One reason may be that efforts are made, by the residential school staff, to counter the possible effects of the deaf child's separation from his family. However, major differences were found in oral communication ability in favor of day school deaf students as compared with deaf students in residential schools ; and

5. One project that recently has been completed was concerned with a national survey of current status on problems of speech and audiology programs in elementary and secondary schools. The survey was conducted by and in co-

operation with a large number of professionals under the direction of Dr. M. D. Steer, Purdue University Speech and Hearing Clinic, in cooperation with the American Speech and Hearing Association. The purpose of the project was threefold: (1) to describe current practices and trends in public school speech and hearing programs; (2) to ascertain problems which could be resolved by systematic research; and (3) to assign in priority order the researchable areas.

Some examples of specific results are as follows: (1) the average caseload per therapist on a nationwide basis is a staggering 130 children. Over half of the therapists expressed the feeling they were too overburdened to carry out effective speech therapy for each child assigned to them; (2) over four-fifths of their caseload is comprised of children with articulation problems and many of these are in the kindergarten, first, and second grades; (3) about one-half of the children are only seen twice a week; and (4) other results dealt with information pertaining to such aspects as supervision, program organization and management, diagnosis and remedial procedures, and professional standards and training.

Some of the highly recommended topics for research which tend to be in line with projects still in process include:

1. The need for longitudinal data on speech development—the cooperative research program has supported the first 3-year phase and is supporting a second 3-year phase of a proposed 12-year longitudinal study of speech and language development in children;

2. The need for knowing the relative value of various speech therapy procedures—only one project has been supported that focuses on this problem. Much more in this special problem area needs to be studied;

3. The need for having available standardized speech, voice, and language tests—three projects are underway that are “breaking ground” in this area. Considerably more attention needs to be given to this problem;

4. The need for knowing what criteria to use for effectively selecting primary children to be included in speech therapy programs—this problem arises from the fact that primary children many times “outgrow” their speech articulation problems. However, as was found in the survey, 81 percent of the speech problems were concerned with articulation and a majority of the therapists work with primary children. To be able to predict which of these children will “outgrow” their speech problems and which ones will actually need therapy becomes tremendously important. This, of course, has implications for such problems as size of caseload, number of times per week to receive speech therapy, number of therapists needed, and an opportunity to better serve those who will really profit from speech therapy. The cooperative research program is supporting three projects dealing with this major problem; and

5. More research is needed in regard to the above-mentioned problem areas. In addition to the above, the following major problem areas have not been adequately investigated:

- (a) Relative value of various training programs and curricula for speech therapists;

- (b) Relative value of group, individual, and combined (individual and group) speech therapy;

- (c) Comparative studies of speech improvement and clinical programs; and

- (d) Studies of the adjustment of children and their language usage in relation to changes in speech accomplished during participation in therapy programs.

OFFICE OF VOCATIONAL REHABILITATION

The major problems in the vocational rehabilitation of speech and hearing handicapped individuals and those who are deaf are: (1) lack of a sufficient number of qualified speech pathologists and audiologists, rehabilitation counselors, psychologists, social workers, medical personnel, and other professional personnel serving this population; (2) inadequate geographical distribution of qualified personnel and facilities for diagnosing and treating communication disorders and the results of early profound loss; and (3) the need for new knowledge for diagnosing and treating communication impairments, including techniques of vocational and personal adjustment of persons with speech or hearing handicaps.

The Office of Vocational Rehabilitation has three programs which are concerned with the rehabilitation of individuals who have speech and hearing impairments. These are the State-Federal program which provides case services

for this group of individuals and through which funds are available for the development of rehabilitation centers, a professional training program, and a research and demonstration program.

STATE-FEDERAL PROGRAM

The public program for vocational rehabilitation is a partnership program between the States and the Federal Government. Actual services to the disabled are provided by State agencies using funds provided through a grants-in-aid program by the Office of Vocational Rehabilitation.

The following table shows the number of individuals rehabilitated or expected to be rehabilitated who were classified as having a speech or hearing impairment during fiscal years 1959-63:

Number of rehabilitants of the State vocational rehabilitation agencies with speech and hearing impairments, fiscal years ending June 30, 1959-63¹

Major disability	Number of rehabilitants in fiscal year—				
	1959	1960	1961	1962	1963
All rehabilitants.....	80, 739	88, 275	92, 501	100, 000	110, 400
Number of rehabilitants with major disability of speech or hearing: Total.....	6, 082	6, 529	6, 900	7, 400	8, 100
Deaf.....	1, 612	1, 617	1, 700	1, 800	2, 000
Hard of hearing.....	3, 524	3, 793	4, 000	4, 300	4, 700
Speech.....	946	1, 119	1, 200	1, 300	1, 400

¹ The total number of rehabilitants are actual for fiscal years 1959, 1960, and 1961; for fiscal years 1962 and 1963 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants in the various disability groups are actual for fiscal years 1959 and 1960; for fiscal years 1961, 1962, and 1963, they are estimated on the basis of the proportion in the group for the preceding 5-year period.

State vocational rehabilitation agencies, in 1961, rehabilitated 6,900 individuals whose major disability was a communication disorder—7.4 percent of the total number of rehabilitants. In 1962 and 1963, it is expected that the number of rehabilitants with speech and hearing impairments will be 7,400 and 8,100 respectively. Although the percent of rehabilitants with communication impairments will remain the same, 7.4 percent, it is anticipated that the total number of rehabilitants for 1962 and 1963 will be 100,000 and 110,400, respectively. Based on these figures, the estimated Federal expenditures for rehabilitating speech and hearing impaired individuals for the years 1961, 1962, and 1963 are \$4,125,000, \$4,775,000, and \$5,350,000, respectively.

Federal funds are also used by States to establish speech and hearing facilities under their basic support program and also to expand and improve centers already in operation thus adding materially to the resources serving the speech and hearing impaired in many States. OVR is particularly concerned about the shortage of rehabilitation facilities where deaf persons can receive a comprehensive evaluation of their capacities for education, vocational achievement, and social maturity and an adequate program of services.

In 1961 and 1962 approximately \$825,000 in Federal and State funds were spent by seven States¹ for the establishment of eight diagnostic and service facilities. In addition, about \$48,000 in Federal funds were specifically designated for expanding and improving four projects in four different States² serving this handicapped group. These figures do not fully reflect the total amount for support of speech and hearing activities since funds of the State agencies are expended for the establishment of general rehabilitation facilities which may include speech and hearing services without identifying expenditures by disability categories.

TRAINING

The training program of the Office of Vocational Rehabilitation includes long-term training, short-term training, and the training of rehabilitation research workers.

¹ Alabama, Arizona, Mississippi, North Dakota, Rhode Island, South Carolina, Wisconsin.

² Georgia, New Jersey, North Carolina, Wisconsin.

Long-term training program

The major objectives of the long-term program are to (1) increase the supply of speech pathologists and audiologists by helping training programs to expand and by offering scholarship assistance to students, (2) to participate with professional associations and educational institutions in their efforts to improve the quality of professional preparation for service, and (3) to facilitate better communication and working relationships among the professional fields engaged in serving disabled people.

An estimated 2,500 speech pathologists and audiologists have met the requirements for practice established by the profession (certification) and an additional 7,500 persons are working in the field who are not certified, some of whom undoubtedly meet certification requirements. It is estimated that 775 students completed their academic preparation in this field during the 1960-61 academic year.

To provide adequate diagnostic, treatment, and rehabilitative services to the 8 million individuals with speech or hearing impairments, an estimated 20,000 speech pathologists and audiologists are needed. Fifteen hundred graduates of speech pathology and audiology curricula in universities are needed each year to fill vacancies caused by the expansion of rehabilitation programs and to replace individuals leaving the field.

The following table summarizes the OVR long-term training program since fiscal year 1959:

*Summary of long-term training program in speech pathology and audiology, fiscal years 1959-63*¹

	Fiscal years ending June 30—				
	1959	1960	1961	1962	1963
Number of grants in speech pathology and audiology	13	22	30	52	57
Amount awarded for training in speech pathology and audiology (in thousands).....	\$198	\$410	\$671	\$1,153	\$1,609
Number of traineeships.....	42	90	164	275	415

¹ Actual figures for fiscal years 1959-61; estimates for fiscal years 1962-63.

It will be noted that the number of grants has increased from 13 in 1959 to 52 in 1962 and that the number of traineeships increased from 42 in 1959 to 275 in 1962. Of the training appropriation for 1962, it is anticipated that approximately \$1,150,000 will be awarded for training speech pathologists and audiologists.

In 1961, the Office of Vocational Rehabilitation awarded a grant to help establish a new professional journal, DSH Abstracts, published by Deafness, Speech, and Hearing Publications. Five issues of this journal have been distributed carrying abstracts of 1,604 articles. The publication has made a significant contribution to disseminating professional information in the field. A small grant was made to DSH Publications in 1962 and the publication is now self-sustaining.

In fiscal year 1963, funds are being requested which will enable grants to be awarded to 57 institutions and traineeships provided for 415 students. Such a program will involve \$1,609,000 of the 1963 training appropriation. Such an increase in our training of speech pathologists and audiologists should help close the gap between the need for new personnel in this field and the output of the training centers.

Short-term training program

The purpose of the short-term training program is (1) to give personnel now serving disabled individuals a better understanding of rehabilitation philosophy and methods through short-term courses or teaching materials, (2) to provide opportunities for raising the level, knowledge, or skill of professional people in rehabilitating handicapped individuals, and (3) to give personnel in various professional fields an awareness of rehabilitation needs, concepts, and methods.

On December 31, 1961, approximately \$651,000 had been obligated for 56 short-term projects in various fields. Of these courses, four were in areas concerned with the speech and hearing impaired—including individuals who are deaf. These courses reached approximately 180 individuals who are currently working in the field. In 1963, it is hoped that funds will be available to continue to offer short-term courses in areas where higher levels of skills are required.

The byproducts of short-term training are invaluable. This has proved to be particularly true in programs related to the deaf. For example, a substantial part of the development of special rehabilitation centers for the deaf stems from workshops supported by short-term training funds. Moreover, program needs are brought into sharper focus and specific avenues of attack charted in such training operations. In illustration, a State is arranging to accelerate rehabilitation training for its many day school deaf students who have not heretofore had the benefit of the intensive shop training that is available in a residential institutional setting. Also, short-term training has proved to be a vital tool in fundamental community development work among the deaf where there is great need for defining proper objectives and for identifying means for attainment. Another major contribution of short-term training is the effective channel it provides for increasing authoritative literature through proceedings of important workshops.

In the past 2 years, because of the extremely limited appropriation for short-term training and because of the priority that OVR gives the inservice training of State vocational rehabilitation workers, we have been unable to support the short-term training programs for which grants have been requested.

In 1963, OVR plans to support short-term training courses for those already employed in various clinical aspects of speech and hearing disorders where a higher level of competence is essential. These areas continue to be auditory disorders, aphasia, stuttering, teaching esophageal speech, cerebral palsy, and cleft palate. In addition, efforts will be made to orient workers with the deaf to the educational, social, and vocational problems of the deaf; to provide rehabilitation counselors in State vocational rehabilitation agencies with a greater knowledge of the nature and treatment of communicative disorders; to interest more psychologists in the development and application of instruments for the psychological assessment to the deaf; and to develop further the standards for facilities for the total evaluation and rehabilitation of deaf persons.

One of the short-term courses that we have supported each year is for rehabilitation counselors, social workers, employment service specialists, and others working with deaf persons. The purpose of the workshop, which is held two times each year at Gallaudet College and which runs for 4 weeks, is to orient these individuals to the social, educational, and vocational aspects of deafness and to start these individuals into a program whereby they learn to communicate with individuals who are deaf. Close to 400 persons have had this valuable training under OVR auspices.

Rehabilitation research fellowships

Fellowships are available to enlarge and enrich our research resources through the development of competent research workers in the professional fields which contribute to the vocational rehabilitation of disabled persons. Fellowships may be awarded to assist qualified candidates to (1) obtain advanced training in rehabilitation research, (2) increase their competency or broaden their experience in rehabilitation research, or (3) carry out a research project which holds promise of making a significant contribution to advancing our knowledge and understanding of the vocational rehabilitation of disabled persons.

In 1960, rehabilitation research fellowships totaling \$88,500 were awarded, six of which were to individuals conducting studies in speech pathology and audiology. The total cost of these was approximately \$18,000. In 1961, three fellowships, amounting to approximately \$12,000, were awarded in this field and in 1962, it is estimated that five fellowships will be awarded at a cost of \$20,500.

RESEARCH

The purpose of the OVR research and demonstration program is to provide partial support for research and demonstrations projects which hold promise of making a substantial contribution to the solution of vocational rehabilitation problems common to all or several States.

Specifically, research grants are awarded to stimulate research in the field of vocational rehabilitation and to encourage the initiation of research by agencies and organizations in areas of vocational rehabilitation needing exploration and investigation.

The objectives of demonstration projects are to establish pilot or experimental attempts to test or establish standards or methods of service that are practicable and effective for general application in the vocational rehabilitation program and to provide and evaluate special rehabilitation methods.

New knowledge is urgently needed in almost every aspect of communication and adjustment for the speech and hearing impaired person. The needs for research range from basic research in the physical and biological sciences, through differential diagnosis, the development of adequate instruments for evaluating the effects of respective treatment methods, reviewing and refining terminology used in describing and defining speech and hearing problems, to demonstration and testing of new or different rehabilitation methods.

The largest share of OVR funds for research in speech and hearing is for the support of specific research projects. Approximately 50 studies have been supported. These include studies in aphasia, cleft palate, esophageal speech, stuttering, clinical instrumentation in speech and hearing, lipreading, auditory testing, and training, speech discrimination, and hearing aids. In the area of deafness, OVR is supporting studies in the mental health of deaf people, studies of the conceptualization process of deaf people, and studies of the effects of deafness on the learning process. Demonstration projects have been supported to evaluate a vocational counseling and guidance program for deaf college students, to determine the feasibility of prevocational and personal adjustment training for deaf adults with little or no academic and vocational education and to determine the value of an intensive, specialized educational and vocational program for mentally retarded deaf and hard of hearing persons.

Two research and demonstration projects are sufficiently unique to be mentioned specifically.

(1) In July 1961, Gallaudet College, with OVR support, established a counseling center for deaf individuals. Since deaf people have little access to any psychological services because of communication problems, the counseling center at Gallaudet proposes to attack this problem by recruiting experienced psychologists and training them in manual methods of communication. The purpose of the project is to demonstrate the feasibility and value of providing personal, social, vocational, and educational counseling for deaf persons. These counseling techniques are well known but the problem is their application to deaf persons.

(2) A recent grant to the American Hearing Society is for the establishment of two satellite hearing centers. These centers will have the minimum staff, facilities, and equipment to offer the basic audiometric evaluations and rehabilitation services needed by the majority of hearing impaired people. The unique feature of these centers will be their affiliation with a larger, highly qualified, well staffed comprehensive speech and hearing center. Such an affiliation will enable the satellite centers to refer to the large center the difficult hearing cases which present problems beyond their resources.

A language modalities test for aphasia which can be used in rehabilitation centers serving language handicapped adults resulted from one research project supported by OVR. The test has been designed so that the speech pathologist can study the amount of language loss and design a therapy program. For the first time, prognostic indicators for potential success in therapy have been developed. The test is now available for use by qualified clinicians.

To date, 49 research and demonstration projects have been supported at a total cost of approximately \$1,921,000. In 1961 seven new awards and nine continuation awards were made for a total of \$365,433. It is expected that 7 new projects and 11 continuation projects with a total cost of \$470,000 will be funded in 1962. In 1963, it is hoped that the program can fund 7 new projects and 13 continuation projects with an estimated cost of \$660,000.

PUBLIC HEALTH SERVICE

NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND BLINDNESS

The severe problems of the person with impaired hearing are often increased by the public's attitude toward him. He may be considered as either slow, inattentive, vague or overaggressive, because of a failure on the part of his associates to recognize that his behavior is the result of a communicative disorder.

In addition, congenital hearing defects in infancy may have a profound adverse effect upon the child's ability to develop speech.

Because there are so many people who are handicapped by hearing disorders, an effort has been directed toward the improvement of hearing aids, the search for better drug and surgical techniques, reeducation and rehabilitation. Also considerable emphasis is being placed on early and better diagnosis and on the improvement of screening techniques.

There are special hearing and speech problems which are constantly increasing in the adult population; one is hearing loss resulting from injury to the hearing mechanism from exposure to an excessively noisy working environment; another is the gradual atrophy taking place in the inner ear and in the auditory cortex of the brain in the aging population. These two conditions are increasing and becoming more of a national problem as the noise level in many industries increases and as the average age of the population arises. In hearing we are also concerned about disorders such as otitis media—an infection of the middle ear, otosclerosis, conductive and perceptive hearing losses, and the interpretation of sound. Some of the speech problems include stuttering and aphasia. Aphasia may be caused by brain damage at birth or as a result of cerebrovascular accidents, or may result from psychological problems as in the autistic child. Memory failure and other higher cerebral functions are also important to the field of speech.

Research accomplishments

In the past 20 years, considerable interest has been stimulated in basic and clinical hearing and speech research and in education and rehabilitation of persons with impaired hearing and speech.

New diagnostic techniques and surgical methods have been developed; effective antibiotic drugs are now eliminating ear infections; improvements are being made in hearing aid performance; excessive noise as a cause of hearing loss is being investigated; studies are underway on congenital hearing and speech disorders and on hearing loss in school children; and rehabilitative measures are offering new hope for the deaf and speech-impaired person.

Surgery now offers several possibilities for improvement of otosclerosis—one form of deafness. Among the most notable developments in this field is the stapedectomy operation. In this operation, the stapes (the tiny bone of the middle ear) is removed and replaced with a polyethylene tube and vein graft.

Many surgeons throughout the United States have adopted this stapedectomy technique with certain modifications. For example, an Institute grantee, who had been using a wire prosthesis in a slightly different manner for several years, adapted it to the stapedectomy operation.

Another surgical technique developed earlier for otosclerosis is the stapes mobilization operation. Here, the stapes, which has become fixed, is manipulated until it moves freely and vibrates again. Unfortunately, in some cases, this structure may once again become rigidly fixed.

The fenestration (window) operation is a technique in which a new opening is produced in the inner ear, permitting sound waves to bypass the diseased bone. It may be resorted to in particular cases when the stapes mobilization operation is unsuccessful.

Tympanoplasty is being used to correct or help other middle ear disorders such as perforated eardrum, chronic otitis media, and other infections of the middle ear. It is an extremely intricate and still largely experimental technique which involves microscopically controlled reconstruction of the middle ear. Antibiotic drugs used in conjunction with this type of surgery now enable control of postoperative infections.

In the field of speech, in non-Government-supported research, an electronic artificial larynx has been developed for persons who have lost the power of speech because of paralysis or surgical removal of the larynx. When the instrument, the size of a small flashlight, is held against the side of the throat, the sound waves it generates pass into the throat cavity and are formed into speech by the lips and tongue. The electronically produced sound waves thus replace those normally produced by air passing over the vocal cords. This is merely one indication of nationwide interest outside of Government, in the rehabilitation of individuals with speech impairment.

Current research developments

One of the largest research programs, in which studies of hearing and speech disorders play an important part, is the Institute's collaborative perinatal proj-

ect which is correlating neurological disorders of infancy and childhood with events of pregnancy and labor.

Several thousand mothers and their babies are being studied to determine, among other things, the factors before or during birth which may be a cause of impaired hearing. Within the 15 participating institutions, children born during the study will receive careful otological examinations and any abnormalities will be correlated with factors which might be responsible.

The study has already resulted in improvement of tests for detecting the presence of infections during pregnancy which may account for some congenital deafness. Jaundice of the newborn infant, German measles during pregnancy, and diabetes of the mother are frequently associated with deafness of the infant. When such children die in early infancy, careful anatomical examinations are contributing to basic knowledge of the mechanisms causing hearing damage.

Basic research in the hearing field, conducted and supported by the Institute, covers a wide range of subjects and represents an extremely important segment of the research effort. These include studies of the circulation of the inner ear, electrophysiological studies of the entire auditory system, compensatory repair, cochlear potentials, and the pathology of congenital deafness. Other subjects of study are psychoacoustics, the cumulative effect of excessive noise, hearing aid performance, hereditary hearing impairment, mechanisms of sound transmission, auditory discrimination, electrophysiologic tests, animal audiometry, and pitch judgment.

Through Institute rehabilitation grants, studies of the perceptual characteristics of deaf and aphasic children are being conducted and factors related to lipreading and cognitive abilities of deaf children are being investigated. Other studies are concerned with visual word recognition and color-form attitudes of deaf children and with investigations of the auditory impairments of old age.

A study on communication for the blind-deaf is underway utilizing pain-free stimulation of the skin, together with an easily learnable coding system. The project is attempting to provide a cutaneous language of practical use to the blind-deaf.

A research grant has been awarded to the American Academy of Ophthalmology and Otolaryngology for the initiation of a nationwide program to study the problems related to conservation of hearing in school children. Supported jointly by the Institute and the Children's Bureau, the program has already produced significant results and shows promise of future findings of importance.

Examinations of 4,000 children have indicated that audiometric testing alone does not define some physical abnormalities of the ear which, when detected, may make it possible to predict hearing loss. This program will not only ascertain methods for testing hearing loss, but will recommend methods for medical and educational rehabilitation, and will survey State institutions for children with hearing handicaps.

In the field of speech disorders, basic research in the vocal cord and laryngeal function, aphasia, and related areas, has provided a number of leads for further development. New electronic techniques of sound analysis and of muscle activity have made possible the precise examination of the speech process. Through the technique of cineradiography (X-ray movies), it is now possible to observe the tongue, palate, and larynx during speech. Similarly, a grantee is studying the mechanism of speech through the use of models of the speech apparatus.

A number of Institute grantees have been studying the brain's function in speech, particularly the role of cerebral dominance. In these studies, investigators are exploring the possible correlations between speech and left or right handedness, as well as the localization of the speech process in the brain.

Prospects for the future

Early in Institute planning, certain speech and hearing research and training needs were outlined. At that time, strong recommendations were made which provided sound guidelines for the direction of future research and training.

The development of research in this field is adhering closely to these early recommendations and a systematic basic and clinical research program is gradually gaining ground. In addition, investigations also continue in an effort to improve various otological surgery techniques in a number of specific areas such as instrumentation (binocular operating microscope), and anesthesia. The choice of anesthesia, in particular, is an important area needing further study since evidence now indicates that certain commonly used local and topical anesthetic drugs may cause irreversible damage to hearing when used for middle-

ear surgery. One study suggests that certain agents have a direct effect on the hair cells of the organ of Corti, usually considered the end organ of sound perception. Certain antibodies which have been useful in treatment of infectious disorders of the ear are now suspected of causing new problems of hearing loss. There is an urgent need to take a closer look at this problem.

Research in the fields of speech and hearing has been conducted in relatively few institutions and on a restricted scale principally because of the lack of trained personnel. There continues to be a need for people who have had considerable postdoctoral training in the fields of chemistry, pathology, neurophysiology, neurology, otology, and audiology.

Progress has been made in filling this void since the reassessment of the teaching programs in otolaryngology in medical centers throughout the country.

This interest, initiated by the NINDB, has brought about a reorientation of the teaching and training programs of a number of medical schools. Their programs are now slowly being pointed toward turning out teacher-investigators as well as practicing physicians. The change is developing through the awarding of grants to carefully selected institutions.

Contributions resulting from training in research, in terms of outstanding research performed by trainees, may not be discernible for a number of years after initiation of a training program. However, the present training programs are expected to increase the number of postgraduate trainees in otolaryngology going into academic medicine.

The success of future research in solving the problems of hearing and speech will depend primarily upon the competence and investigative skills of the basic scientists and clinicians being trained now for careers in research.

SOCIAL SECURITY ADMINISTRATION

CHILDREN'S BUREAU

Children with severe impairments of hearing, speech, and language may be handicapped and restricted not only in oral communication, but also in mental growth, emotional development, and social maturity. The Children's Bureau through technical assistance, the grants program, and demonstration and training projects has focused on the development and improvement of programs in the State health departments and crippled children's agencies for these children.

The objectives of the Children's Bureau program are:

1. The early discovery of children with partial and total loss of hearing, and speech and language impairments;
2. The provision of diagnostic evaluations which are multidiscipline in nature and comprehensive in scope;
3. The provision of preventive and remedial medical and surgical treatment, hearing aids, and other audiological and speech services;
4. The increase in the number of trained personnel who are qualified to work with children with hearing and speech impairments.

Technical assistance

Consultative service is provided by the Children's Bureau consultant for audiology and speech pathology to State health departments and crippled children's agencies, to professional speech and hearing organizations, to university training and clinical programs, and to voluntary agencies. This consultation covers recommendations for program development, personnel standards, procedures for better service, and guidance for professional training and education.

Grants to State health departments and crippled children's agencies

Grants-in-aid provided through title V, parts 1 and 2 of the Social Security Act give basic support for speech and hearing services in most of the States, consisting of programs for the discovery and subsequent diagnosis and treatment including medical care, remedial surgery, provision of hearing aids, and speech and auditory training.

In 1960, 46 State health departments or crippled children's agencies reported testing the hearing of 4,443,000 children, and referred 106,868 who appeared to have medically significant losses for further evaluation and treatment. At least 44 State health departments and crippled children's agencies provided medical and audiological services. The State crippled children's agencies reported giving services to 22,974 children with hearing impairments and to 17,231 children with cleft palate or cleft lip.

Presently 32 States have personnel in the health departments or crippled children's agencies who are specifically assigned to conduct a speech and hearing program. During 1961, six States made plans to add additional staff in speech and hearing. Two States produced films with Children's Bureau support on the subject of early discovery of hearing impairment and the development of hearing conservation programs. One State, in cooperation with the Children's Bureau, completed the publication of a technical monograph on the subject of identification audiometry (hearing screening).

Demonstration projects

The Children's Bureau supports speech and hearing projects which demonstrate special aspects of casefinding and the subsequent medical, surgical, and audiological treatment. Special projects in hearing conservation are supported in Colorado, Hawaii, Maine, and Pennsylvania (University of Pittsburgh). Special project funds are granted for cleft palate rehabilitation in which one of the major goals is the correction of defective speech. Such grants are currently going to Alabama, Illinois, Maryland, Massachusetts, Montana, and Virginia.

A number of other special projects, not specifically limited to speech and hearing, provide services for children with hearing, speech, or language handicaps. Such projects are supported in the District of Columbia, Rhode Island, and Kansas. Additionally, nearly every project for the mentally retarded provides for hearing, speech, and language evaluations.

Training grants

The Children's Bureau currently provides special project grants to five universities for audiology and speech pathology fellowships (Johns Hopkins University, Vanderbilt University, University of Iowa, University of Oklahoma, Stanford University). These grants partially meet the need for training professional workers within a medical environment which emphasizes the interrelationships of the various disciplines involved with children who have speech and hearing impairments. Expansion of this program to an additional university is currently planned. This program for training is planned not to overlap or duplicate the training programs of other Federal agencies.

A special training institute will be supported at Johns Hopkins University to teach health personnel the techniques of testing the auditory response of infants and preschool age children.

Needs

The child with a hearing impairment needs to be discovered earlier. At present, the majority of testing programs concentrate on the schoolage child. Technical skills and administrative patterns must be developed and demonstrated to focus on the identification of hearing impairments at the very early ages. Workshops and other inservice training institutes must be promoted in order to develop preschool hearing testing programs. Studies must be conducted to determine the most successful procedures and practices.

The number of hearing and speech diagnostic centers need to be increased. While many metropolitan areas have hearing and speech centers, these are often overburdened and cannot meet the needs of the nonmetropolitan residents. Support for staff and equipment will be needed from the various State and local agencies which utilize the services.

Medical, audiological, and speech services must be continually upgraded. Professional personnel must be afforded opportunities to increase their skills and knowledge through inservice and short-course training. Recent advance in procedures and the results of research must be disseminated and applied.

CYSTIC FIBROSIS

Mr. FOGARTY. Only a few years ago we could not find anyone who could even make a good estimate of the number of children with cystic fibrosis. This committee got a research program started by making a special appropriation over what was requested in the budget. We have made some progress and I hope we make a lot more soon. I think we ought to be doing more than we are. We will put that statement in the record.

(The statement follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

CYSTIC FIBROSIS

Research activities on cystic fibrosis are presently being performed by the National Institute of Arthritis and Metabolic Diseases, the National Institute of Allergy and Infectious Diseases, and the Children's Bureau of the Social Security Administration.

Intramural and extramural research activities dealing with attempts to uncover the basic defect in cystic fibrosis, in addition to studies dealing with the genetic aspects of the disease, are being carried out through the National Institute of Arthritis and Metabolic Diseases.

The National Institute of Allergy and Infectious Diseases is conducting extramural and intramural research into the pulmonary infections associated with cystic fibrosis as well as into the diagnostic problems caused by pulmonary manifestation associated with asthma, allergy, and cystic fibrosis.

The Children's Bureau in conjunction with the National Institute of Allergy and Infectious Diseases is presently involved in a three-phase survey designed to determine the true magnitude of the cystic fibrosis problem. The first phase was to provide gross annual estimates on the number of cases cared for in hospitals in the United States during the period 1952-57. The second phase was to investigate methodological problems connected with sampling surveys of cases known to physicians and clinics and to obtain preliminary information on incidence and other characteristics of the disease. The third phase of the study is to derive unbiased age and sex specific estimates of the disease for a larger area of the country than was used in the pilot study so as to derive more conclusive estimates of the incidence and prevalence of cystic fibrosis than were attainable in phase 2 of the study.

The following table presents obligations¹ of this Department for the period 1959-63 relating to cystic fibrosis:

	1959	1960	1961	1962 estimate	1963 estimate
Public Health Service:					
National Institute of Arthritis and Metabolic Diseases:					
Extramural.....	\$404,000	\$485,159	\$478,000	\$800,000	\$1,000, 00
Intramural.....	25,000	50,000	85,000	100,000	100,000
National Institute of Allergy and In- fectious Diseases:					
Extramural.....	382,500	336,800	240,100	255,200	300,000
Intramural.....	28,000	65,000	30,000	75,800	50,000
Total, Public Health Service....	839,500	936,959	833,100	1,231,000	1,450,000
Social Security Administration: Children's Bureau ¹	(14,835)	(35,676)	(22,383)	(72,000)	(41,760)
Total, Department of Health Educa- tion of Welfare.....	839,500	936,959	833,100	1,231,000	1,450,000

¹ Children's Bureau program is financed through reimbursements from the National Institute of Allergy and Infectious Diseases and is included in amounts shown for that Institute.

SPECIAL REPORT: CYSTIC FIBROSIS

Cystic fibrosis is the most frequent, fatal hereditary disease of children. As a cause of death in children it outweighs such well-known diseases as rheumatic fever, diabetes, and poliomyelitis. Although cystic fibrosis (CF) has been recognized as a separate disease only within the last 25 years, it is now diagnosed with increasing frequency throughout the world. In the United States it is estimated that anywhere from 2 to 20 percent of the population may be genetic carriers of the disease, and about 1 infant out of every 1,000 births is afflicted.

Cystic fibrosis affects the exocrine glands—glands which discharge their secretions onto the skin (sweat glands) or into organs which connect to the outside of the body (lungs, intestines, etc.), either directly or through special ducts. In cystic fibrosis, the mucus-producing glands fail to secrete their normal, clear, free-flowing fluid. Instead, they produce an abnormal, thick, sticky mucus which tends to obstruct the ducts or openings of the glands. When the thick mucus ac-

accumulates in the ducts of an important gland such as the pancreas, it interferes with its function to supply much-needed digestive enzymes to the intestinal tract.

Another basic abnormality is found in the non-mucus-secreting sweat, salivary, and tear glands. In cystic fibrosis, the secretions of these glands usually contain an excessive amount of salt. Because of the sweating defect, many cystic fibrosis patients are unable to conserve salt, especially in hot weather, and this condition may be severe enough to lead to death.

Almost all patients develop chronic lung disease at some time during the course of their illness. Thick mucus deposits tend to clog passages in the lung or branches of the windpipe, causing obstructions manifested by labored breathing or a chronic cough. As time goes by, bacterial infections set in and the child may develop chronic bronchitis. The patient is usually extremely susceptible to lung infections and may succumb to pneumonia. The obstructed, damaged lung tissue may also serve to impede blood circulation and occasionally a child may die of chronic heart strain.

Cystic fibrosis is not an infectious condition which can be acquired from others or transmitted directly to them since the disease is inherited from parents who carry the genetic trait for the disorder from generation to generation. A carrier of the trait may not show any symptoms of the disease, yet he is capable of passing the trait to his offspring, who in turn may have inherited a partial manifestation of the disease. When both parents are carriers, their offspring have a chance of being born with cystic fibrosis.

Recent statistics show that among children in the United States cystic fibrosis accounts for virtually all cases of pancreatic deficiencies, and for a great majority of chronic (nontuberculous) lung diseases and for many liver diseases. Although labeled primarily as a disease of young children, improved diagnostic methods have provided evidence of an increasing frequency of cystic fibrosis among older adolescents; also, there is now evidence that some adults with chronic lung disease may belong in the cystic fibrosis disease category.

Research on cystic fibrosis at the National Institutes of Health is the joint responsibility of two institutes: the National Institute of Arthritis and Metabolic Diseases (NIAMD) and the National Institute of Allergy and Infectious Diseases (NIAID). Both are conducting studies in their own facilities at Bethesda, Md., while also supporting investigations elsewhere under research grant programs.

NATIONAL INSTITUTE OF ARTHRITIS AND METABOLIC DISEASES

Significant strides have been made against cystic fibrosis both by Institute scientists in Bethesda and in the more than 30 active research projects supported by the Institute. Much of this research deals with attempts to seek out and discover the basic defect in cystic fibrosis, as well as to study the genetic aspects of the disease.

In genetic studies, additional evidence has been produced indicating that the disease is not limited to infants and young children but that, depending on the extent of the genetic endowment in the individual, the disorder may express itself through only partial symptoms in adults. Studies of the hereditary transmission of the disease by grantees have also uncovered specific antibodies against pancreatic tissue in the blood of 28 of 32 children with cystic fibrosis studies. Attempts are now being made to find what antigens are provoking these antibodies, and whether or not relatives of these children also have similar antibodies.

The development of an instrument by Institute scientists to measure simultaneously the rate of sweating and the functional activity of sweat salt has provided some interesting and potentially important information on the mechanism of sweating of the cystic patient. Preliminary data obtained from using this device on a small group of patients with cystic fibrosis suggest that the relative inability of sweat gland tubules to reabsorb and return "sweated" salt to the body is not due to a defect in the tubules themselves but to the formation of an abnormally concentrated precursor solution released originally in the acinar "root" portion of the gland. The finding of the exact defect in this mechanism might reveal the nature of a common denominator for the many

apparently unrelated manifestations of cystic fibrosis in various organs of the body.

Collaborative experiments by Institute scientists and grantees at Columbia University have isolated an unknown gummy substance from the duodenum of patients with the disease. The substance is an abnormal mucopolysaccharide and is presumed to lend the special viscous nature to the pathologic mucus secretions in cystic fibrosis; its chemical characteristics are presently under investigation. The scientists have also found abnormal, viscous glycoprotein compounds in the urins of cystic patients and have partially determined the chemical characteristics of these compounds.

The biosynthesis of abnormal polysaccharides is being investigated by Institute scientists with the aid of a natural model for mucus formation, the hen oviduct. So far, a series of hitherto unknown sugar compounds, suspected of being precursors of active polysaccharide components, has been isolated. With the use of this newly unfolding biosynthetic system it is hoped that it will be possible to define biochemically the step-by-step mechanism of mucus formation.

Along with such basic investigations, which lay the foundation for future practical advances, work along clinical lines has produced much progress in the day-to-day therapeutic management of cystic fibrosis patients. During the past year approximately 100 patients have been studied and treated by the Institute's pediatric metabolism branch. Of this number, 62 were hospitalized while the remainder were admitted as outpatients.

Measles represents a severe and at times fatal complication of cystic fibrosis. In an effort to give patients all possible therapeutic support, Institute clinicians in collaboration with the Division of Biologics Standards immunized 30 cystic fibrosis children with the new live virus measles vaccine, early in its development. Studies performed before and after the vaccinations will help determine the degree of protection offered by the new vaccine against otherwise serious complications.

In another clinical advance during the past year, an Institute grantee has improved a new method of inhalation therapy which involves the use of liquid aerosols containing 3 percent sodium chloride. Preliminary trials of this treatment, administered during the patient's sleep, have demonstrated that it can increase drainage of thick mucus secretions from the lungs. The same investigator is also evaluating the use of a newly developed vibrator device which shows promise in promoting lung drainage.

One of the manifestations of cystic fibrosis is the impairment of the intestine's digestive function. In order to clarify and evaluate this defect, a relatively simple but accurate test to measure the degree of intestinal fat absorption has been devised and perfected. This test employs the use of a readily available, inexpensive iodinated fat; a simple clinical test of urinary iodine determines precisely the extent of the patient's ability to digest and absorb fats.

These and other developments in diagnosis and therapy are being quickly transmitted to practicing physicians and research workers throughout the country. One particularly effective means of communication has been a specially prepared, comprehensive scientific exhibit on cystic fibrosis. This exhibit, along with detailed, practical literature concerning the most recent and effective forms of diagnosis and therapy, has been brought to attention of thousands of physicians at medical meetings throughout the country.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

A complicating factor of cystic fibrosis is pulmonary infection which, past surveys have indicated, causes approximately 90 percent of the deaths of cystic fibrosis patients. The most common pathogen involved in these recurrent infections is the *Staphylococcus*.

Clinical trials at the National Institute of Allergy and Infectious Diseases during the year should prove a significant contribution to the improvement of management of this aspect of the disease. Institute scientists continued to obtain good clinical results from the administration of dimethoxyphenyl penicillin. They also initiated clinical trials of another experimental penicillin resistant to the enzyme, penicillinase, which constitutes the major factor in the mechanism of drug resistance. In addition to offering the distinct advantage of oral administration, this as-yet-unnamed antibiotic from Bristol Laboratories appeared 5 to 10 times more effective than dimethoxyphenyl when tested in vitro in the laboratory. Treating 15 difficult cases of staphylococcal infection, our clinicians have obtained cures or marked improvement and have observed only minimal side effects.

There are other complicating factors: in spite of many etiological, clinical and pathological differences between asthma and cystic fibrosis, there are many similarities in the pulmonary manifestations of both conditions, which may coexist in the patient. Similarly, the upper respiratory tract mucosa may respond to both cystic fibrosis and allergy. In a patient with chronic respiratory manifestations, the diagnosis of cystic fibrosis may be overlooked and the clinical impression of allergy may be misleading, until the basic diagnostic procedures, such as sweat-electrolyte analysis and allergy skin tests support the history and clinical findings. On the other hand, the patient with cystic fibrosis may develop allergic manifestations, which should be investigated and treated concurrently. One of the studies supported by the National Institute of Allergy and Infectious Diseases has underlined these aspects of the disease and, in an issue of the *Journal of the American Medical Association*, alerted physicians to the importance of considering cystic fibrosis in the diagnosis of patients with recurrent respiratory tract disease symptoms. Investigations by the grantees at Harvard Medical School established that a large percentage of cystic fibrosis patients had originally been diagnosed as respiratory allergy cases. They also demonstrated the possibility of masked, and therefore, untreated respiratory allergy.

The Children's Bureau of this Department's Social Security Administration with the cooperation of the National Center for Health Statistics, has published data on the extent of cystic fibrosis from a pilot survey in Massachusetts, New Hampshire and Vermont. A report on this survey was presented recently before the Maternal and Child Health Section of the 89th Annual Meeting of the American Public Health Association in Detroit.

In the area surveyed a total of 621 patients with cystic fibrosis received medical care at some time during the 8-year period of 1952 through 1959. The annual number of known cases increased about 57 percent. Also, the annual caseload of the disease among children under 18 rose from about 12 per 100,000 population under 18 years of age in 1952 to 22 per 100,000 population in 1958. During a 7-year period the number of patients with cystic fibrosis doubled for the age group under 5, tripled for the age group 5-9 years, and quadrupled for the group 10 years and older.

The figures are encouraging in as much as they show that early diagnosis and improved treatment is allowing children with cystic fibrosis to live far longer than in the past. A preliminary rough estimate of the incidence of diagnosed cases in the pilot area is only 42 per 100,000 live births or 1 per 2,300 live births. This is a lower estimate than that given for the population in general. It excludes diagnosed cases in newborns who died before leaving the hospital, and represents data on patients under the medical supervision of either the pediatrician or clinic contacted by the survey.

This survey was financed by a research contract from the National Institute of Allergy and Infectious Diseases. Our Advisory Council is of the opinion that the survey provides a reliable index to the national magnitude of the problem on which to project future research efforts, and therefore should be limited to the three-State area.

TABLE OF OBLIGATIONS

National Institute of Arthritis and Metabolic Diseases

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962 (esti- mate)	Fiscal year 1963 (esti- mate)
Extramural.....	\$404,000	\$485,159	\$478,000	\$800,000	\$1,000,000
Intramural.....	25,000	50,000	85,000	100,000	100,000

National Institute of Allergy and Infectious Diseases

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963 (esti- mate)
Extramural.....	\$382,500	\$336,800	\$240,100	\$255,200	\$300,000
Intramural.....	28,000	65,000	30,000	75,800	50,000

CHILDREN'S BUREAU

CYSTIC FIBROSIS: A NATIONAL HEALTH PROBLEM

Cystic fibrosis of the pancreas, also known as mucoviscidosis, is a hereditary disease of children, adolescents, and young adults. Clinical manifestations, seen chiefly in the pediatric age group, are well documented in the literature. Much less is known about the incidence and prevalence of cystic fibrosis. This is because of its relatively recent recognition as a specific entity and the wide range of its clinical manifestations, and because of past difficulty in establishing a diagnosis based on sound laboratory evidence.

During the past 20 years, the incidence of the disease in the population has been variously estimated. In 1946 cystic fibrosis was estimated to occur in the order of 1 case in 600 live births; in 1952, it was estimated to be about 1 case in 1,000 live births, and in 1960 it was estimated to be approximately 1 case in 3,700 live births.

As a basis of planning research programs and for estimating the relative urgency of research in this area, Congress requested in 1958 that a study be undertaken to determine the true magnitude of the cystic fibrosis problem. In response to this request, the National Institute of Allergy and Infectious Diseases contracted with the Children's Bureau to make a study. The Children's Bureau, with the cooperation of the National Vital Statistics Division of the Public Health Service planned a three-phase survey.

The first phase of the study was to provide gross annual estimates on the number of cases cared for in hospitals in the United States (exclusive of Alaska and Hawaii) during each year 1952 through 1957. A sample of about 600 hospitals was selected from approximately 7,000 listed in the Directory of the American Hospital Association and the Directory of the American Osteopathic Hospital Association. Questionnaires sent to these hospitals brought responses from which the following national estimates were derived. In 1957 approximately 2,500 patients with a diagnosis of cystic fibrosis were discharged from hospitals. Slightly less than half (1,180) of these patients were reported by hospitals approved for a pediatric residency. The number of discharges for that year totaled about 3,200, indicating repeated hospitalization for many patients. Fourteen percent, or about 360 patients, were discharged by death. From 1952 to 1957 the number of hospitalized patients with the disease increased by about 50 percent. The number of discharges showed a corresponding increase. The estimated number of deaths in 1957 was approximately 20 percent greater than the estimated number in 1952, but this difference may be attributable to sampling error.

A detailed study of the characteristics of patients hospitalized during 1957 corroborated clinical observations that cystic fibrosis is not the uniformly fatal disease of infancy or early childhood that it was formerly thought to be. Of the estimated 2,500 patients hospitalized in that year, 10 percent were aged 10-20 years, and a smaller percentage were 20 years or older; only 30 percent were infants. Among the fatal cases, 40 percent were infants. The ratio of deaths from the disease per 100 cases hospitalized during the year was 18 for infants, 12 for children in the age group 1 to 4 years, 14 for children 5 to 9 years, and 12 for those aged 10 years or more.

Almost 70 percent of the 1957 cases were in hospitals in the Northeastern and North Central States and only 9 percent in the West. Rates for hospitalization due to cystic fibrosis showed significant regional variation. There were about 5 patients under 21 years of age per 100,000 population under 21 years hospitalized in both the Northeast and North Central regions, whereas there were only about 2 cases per 100,000 population in the same age group in both the South and West. Elements contributing to regional variations in prevalence need further study. Possible factors might be due to differences in physicians' familiarity with the disease, availability of diagnostic facilities, racial predilection to the condition, and the movement of families with fibrocystic children to areas where specialized treatment is available.

The second phase of the study was to investigate on a pilot basis methodological problems connected with sampling surveys of cases known to physicians and clinics and to obtain preliminary information on incidence and other characteristics of the disease. The pilot area embodied three States—Massachusetts, New Hampshire, and Vermont. A total of 1,060 medical sources were queried by mail. Sources selected for querying included all pediatricians and a 10 percent sample of other physicians in private practice listed in the 1958 American Medi-

cal Directory for this area. All outpatient departments of general, children's, and orthopedic hospitals listed in the 1959 Guide Issue of the Journal of the American Hospital Association were also queried. Sources queried were asked to give information on all cases of cystic fibrosis seen by them at any time since January 1952. There was a 90 percent response to the questionnaire.

Procedures were developed for matching patients reported by more than one physician or clinic. Also, criteria were set up for evaluating whether or not a reported case was a confirmed case of cystic fibrosis. After matching patient reports and eliminating duplicate and doubtful cases of the disease, there was a total of 621 patients who received medical care for cystic fibrosis at some time during the 8-year period 1952 through 1959.

It is important to stress that the pilot-study area is not representative of the country; hence the findings presented below should not be generalized and applied to the entire Nation. During the 8-year period, the number of cases of cystic fibrosis known during each year more than doubled; the number increased from 204 cases in 1952 to 475 cases in 1959. The incidence of newly diagnosed cases increased 57 percent or from 42 in 1952 to 66 in 1959; the number of deaths attributed to the disease remained about the same. From 1952 to 1958 the number of known fibrocystic children increased by half for the age group under 5, but tripled for the age group 5 to 9 years, and quadrupled for the group 10 years and older.

There were 169 deaths among the 621 patients reported during the 8-year period. The shift in the age distribution of deaths appeared to be substantial. Approximately the same number of patients died from the disease in each 4-year period 1952-55 and 1956-59, but in the earlier period, 30 percent of the fatalities were among infants and only 7 percent were children 10 years and older, whereas in the later period 19 percent of the deaths were infants and 28 percent were in the oldest age group. The age at which patients were first detected as cases was about the same in 1952-55 as in 1956-59; about half of the patients diagnosed in each period were under 1 year, slightly over a third were in the age group 1-4; about 10 percent in the group 5-9, and 4 percent 10 years or older. Findings suggest that the prolonged life of fibrocystic children in recent years appeared to contribute more to the higher percentage of patients in the age group 10 years and older, than did the late detection of cases.

A preliminary rough estimate of the incidence of diagnosed cases of cystic fibrosis in the pilot area is 42 per 100,000 live births or 1 case per 2,300 live births. This is a minimal estimate because it does not take into account diagnosed cases in newborns who died before leaving the hospital or persons with the disease who were never under the medical supervision of either a pediatrician or a clinic. This preliminary estimate is lower than estimates made by other investigators in 1946 and in 1952 but is higher than that made in 1960.

The third phase of the study is to derive unbiased age- and sex-specific estimates of the incidence and prevalence trends of diagnosed cases of the disease for a larger area of the country than the three New England States. The area selected encompasses 17 eastern States and the District of Columbia and is contained in 3 geographical divisions—New England, Middle Atlantic, and South Atlantic. It is anticipated that with a larger population base and the refinement of techniques developed in the two previous surveys more conclusive estimates of the incidence and prevalence of cystic fibrosis can be derived. Data on cases seen or treated by physicians or in hospitals and clinics during the 10-year period 1952-61 will be obtained by questionnaire.

About 5,800 medical sources will be queried. Sources selected will include all full-time pediatricians in private practice, all hospitals with pediatric residency training, and all other hospitals having 100 or more beds. A sample of pediatricians in part-time private practice, other physicians, and hospitals having less than 100 beds will be drawn. Physicians and hospitals will be selected from the directories of the American Medical Association, the Osteopathic Association, the American Hospital Association, and the American Osteopathic Hospital Association.

The actual survey of the eastern seaboard States will start by mid-March 1962. It is expected that the project will be completed sometime during 1964. Results of the survey to date are available in published form.

The growth of interest in research in cystic fibrosis is resulting in the gradual extension of the services of State crippled children's programs to include children with this condition. During the current fiscal year, 16 States are providing diagnostic treatment and followup services for children with cystic fibrosis.

Much needs to be done to spread the knowledge of this disease and to increase the number of clinical facilities adequately staffed to provide the necessary services. The cost of care is considerable for many families, averaging between \$1,000 and \$2,000 per year. The State crippled children's programs are beginning to make a significant contribution toward meeting the problem of cystic fibrosis through providing the necessary specialized services and helping to meet the costs of care.

SOCIAL SECURITY ADMINISTRATION—CHILDREN'S BUREAU

Cystic fibrosis

	Actual, 1959	Actual, 1960	Actual, 1961	Estimate, 1962	Estimate, 1963
Reimbursement from National Institutes of Health: Allergy and infectious disease activities.....	\$14, 835	\$35, 676	\$22, 383	\$72, 000	\$41, 760

MULTIPLE SCLEROSIS

Mr. FOGARTY. The situation regarding multiple sclerosis has been much the same as for cystic fibrosis. We started out not even being able to get estimates of the incidence of the disease, then we got a research program started and have been pushing it every year. I hope we can do a lot more next year and make some real progress. We will put the report in the record at this point.

(The statement follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

MULTIPLE SCLEROSIS

The Public Health Service, through the National Institute of Neurological Diseases and Blindness is expected to spend in excess of \$2 million in extramural and intramural research activities in the program to conquer multiple sclerosis. Investigations into the chemistry and anatomy of myelin (the white fatty substance forming an insulation sheath around the nerve fibers) as well as studies of autoimmune reactions which may lead to methods of prevention, are currently being undertaken. Efforts are also being expended to identify a viral agent that may be responsible for the disease in the hopes of discovering a cure.

The Office of Vocational Rehabilitation, through the State vocational rehabilitation agencies, will spend an estimated \$220,000 in 1963 in rehabilitation programs covering an estimated 330 persons inflicted with multiple sclerosis. Since women in the 20 to 40 age group constitute the largest proportion of persons suffering from this disease, it is planned to accept increasing numbers for services with the vocational goal of homemaker.

The following table presents the total departmental obligations for the period 1959-63:

Agency	1959	1960	1961	1962 (estimate)	1963 (estimate)
Office of Vocational Rehabilitation.....	\$150, 000	\$140, 000	\$170, 000	\$190, 000	\$220, 000
Public Health Service:					
Extramural.....	931, 263	1, 255, 065	1, 574, 543	2, 120, 000	2, 490, 000
Intramural.....	158, 003	378, 076	172, 900	237, 000	264, 000
Total, Public Health Service.....	1, 089, 266	1, 633, 141	1, 747, 443	2, 357, 000	2, 754, 000
Total, Department of Health, Education, and Welfare.....	1, 239, 266	1, 773, 141	1, 917, 443	2, 547, 000	2, 974, 000

Following is a detailed description of the present and future programs of the Public Health Service and Office of Vocational Rehabilitation in this area.

SPECIAL REPORT, MULTIPLE SCLEROSIS

THE PROBLEM

An estimated quarter of a million Americans are affected by multiple sclerosis, a chronic and progressive disease of the central nervous system. Another quarter of a million are believed to suffer from related disorders.

In multiple sclerosis, the white fatty substance called myelin, which forms an insulating sheath around the nerve fibers, is dissolved or destroyed in scattered areas of the brain and spinal cord. Lost myelin fails to regenerate and is replaced by scar (sclerotic) tissue which impedes or distorts transmission in the affected nerves to the parts of the body which they control. Repeated attacks causing lesions in the brain and spinal cord usually produce more severe nerve dysfunction.

Despite more than a century of study, the cause of multiple sclerosis remains unknown. No generally effective treatment has been found to halt the destructive process known as demyelination.

Although the onset of the disease may be gradual and progressive, more often sudden neurological symptoms, such as disturbances of vision, incoordination, numbness or paralysis, become apparent when the disorder is present.

So far, scientists remain baffled by three intriguing facts about multiple sclerosis: it affects mainly young adults, it occurs most often in episodes, and it is more common in cold climates than warmer areas. Although the onset may occur at any age, the disorder appears most commonly between the prime ages of 20 and 40 years.

Paradoxically, the disease occurs most frequently in episodes. A period of worsening is generally followed by a period of improvement, but each later attack usually causes slightly more disablement than before. The course of the disease is highly unpredictable. Some persons with this condition, following one or more episodes, appear to have a remission and experience no further difficulty during the rest of a normal lifespan.

Another puzzling aspect of multiple sclerosis is its strikingly higher prevalence in colder regions than in warmer zones. Multiple sclerosis is common in Canada, less common in northern United States, and very rare in the southern and warm climates. In other countries, the prevalence of multiple sclerosis also varies mysteriously with geographic latitude. No evidence exists that moving to a warmer climate from a colder area will control or cure multiple sclerosis once it has occurred.

Suspected but still unproved are different possible causes of multiple sclerosis. Among many theories proposed are, alterations in the way the body uses food, exposure to extremes of heat or cold, inadequate blood circulation, a genetic factor, toxins, nutritional deficiencies, viruses, and a hypersensitivity. Many scientists believe that several factors, operating as links in a causative chain, may be implicated in multiple sclerosis.

RESEARCH ACCOMPLISHMENTS

A number of important advances have been made in multiple sclerosis research by Institute scientists and grantees and by other investigators. Studies of the chemical and physical processes related to myelin formation and liquefaction have produced significant gains in basic knowledge. In summary—

Institute scientists discovered how an essential lipid compound in the myelin sheath is formed in the body and how to synthesize this compound, sphingosine, in the test tube. This achievement contributes to studies of the disintegration of the myelin sheath and may prove a step toward discovering how this phenomenon—demyelination—may be reversed.

Techniques were developed for reproducing in experimental animals an inflammatory disease of the nervous system, allergic encephalomyelitis (EAE), which resembles certain human demyelinating disorders. This disorder in animals occurs when the body develops an autoimmunity and be-

comes sensitized against certain substances normally occurring in the brain, namely, the myelin sheath which surrounds the nerve fiber. The liquefaction of this myelin sheath, which occurs in the experimental disease, bears some resemblance to that which occurs in multiple sclerosis. Study of this experimental disease is therefore of great importance.

Other areas of research attention in recent years include the search for some toxic or infectious agent, or a virus, which may trigger the destructive process. The discovery of infectious diseases in sheep and goats which resemble multiple sclerosis, and are characterized by latent periods up to several years after infection, has stimulated interest in the possibility of a viral agent, which may infect many but affect few.

CURRENT RESEARCH ACTIVITY

Significant research gains of importance to multiple sclerosis have developed recently. Investigators have isolated from brain tissue the chemical agent responsible for the experimentally induced disease, allergic encephalomyelitis. Institute and other researchers have now identified the causative agent as a small basic protein which is found in the myelin sheath in the brain. They have discovered that the same protein that produces the experimental disease, when injected into the skin with a special emulsion which enhances the action of the protein, can specifically delay or prevent symptoms of the disease when given without the adjuvant.

Modification of the protein changed its characteristics so that it no longer induces the disease but still protects the animals. The mechanism underlying this inhibition has not yet been clearly defined. However, the new finding supports the theory that demyelination may be induced by autosensitization, and it provides important clues toward understanding the initiating event that occurs in spontaneously demyelinating diseases. Moreover, the discovery that allergic encephalomyelitis can be suppressed by immunologic techniques strengthens hope of a possible approach to controlling multiple sclerosis.

Another provocative research advance is that this experimental disease (EAE) can now be studied in tissue culture. If serum from an animal suffering from the experimental disease is applied to a tissue culture containing nervous tissue, liquefaction of the myelin sheath can be observed. Presumably the process in tissue culture is similar to that which takes place in the brain of an animal afflicted with the disease.

This year it has been reported that serum from certain patients suffering from multiple sclerosis is also capable of causing liquefaction of myelin in tissue culture. These preliminary findings require further confirmation but provide increased evidence of similarities between multiple sclerosis and allergic diseases of animals.

Of significance this past year is the first demonstration of remyelination in adult mammalian central nervous tissue, reported by an Institute grantee working with other investigators on a study involving experimental lesions in the spinal cord of adult cats. Earlier, investigators found that regeneration of myelin is possible in the peripheral nervous system. In this study, investigators suggest that myelin can be reformed around demyelinated nerve fibers. From this and other studies may come important new knowledge on the mechanisms of myelin formation in humans.

The peculiar geographic distribution of multiple sclerosis is believed to hold some important clue to its cause. With the climatic factor in mind, an international group of scientists, including Institute grantees, continues its task of formulating a global epidemiological study on this demyelinating disorder.

Over many years, repeated efforts to find an infectious agent in patients with multiple sclerosis have failed. However, interest in the search for viruses in multiple sclerosis has recently been revived through the discovery that viruses may remain inactive in the nervous system for long periods of time. Two animal diseases, previously thought by some investigators to be genetic in origin, have now been demonstrated to be due to such latent viruses. These diseases—scrapie and visna—have a long initial latency and a slow, progressive course.

Demonstration of a viral agent is a long and difficult process. Discovery of the known viral cause of a number of diseases has come only after many failures. This could be the case in multiple sclerosis. Proof could be accomplished only with difficulty, because as in the case of scrapie and visna, the virus may have a long incubation period. It may be that relatively few infected animals would develop the disease. Therefore, observations of inoculated animals over a pro-

longed period of time and in an environment free of intercurrent infection would be necessary to determine whether multiple sclerosis is or is not due to a virus.

PROSPECTS FOR THE FUTURE

Researchers are trying not only to unravel the basic causes of multiple sclerosis, but many are busily seeking to discover a cure. If it can be learned what causes spontaneous remissions to occur, then science should be able to find a way to create permanent remissions. Although the process of remission is still unknown, some clues to the responsible mechanism have already been found. Hopefully, scientists look forward to the development of an effective cure for multiple sclerosis.

Meanwhile, better guidelines in testing drugs for treating multiple sclerosis may be expected. The panel of scientists named to evaluate drug therapy has published its preliminary report. It is now attempting to develop a classification of different phases of the disorder and to plan other aspects of a special program to test currently available treatments. Clinical investigators are convinced that a carefully controlled study—one that systematically compares the effects of different treatments over meaningful periods of time—is the only reliable basis for evaluating treatment.

Increasing resources of this Institute and at grant-supported research centers are being applied in the program to conquer multiple sclerosis. Investigators are seeking, among other goals, to understand the chemistry and anatomy of myelin, to pursue studies of auto-immune reactions which may lead to methods of prevention, to identify a viral agent that might be responsible for the disease, to understand the significance of its strange geographic pattern, and to study its incidence in other populations of the world.

The scope of this Institute's effort, translated in dollars and individual projects, since fiscal year 1959 is indicated as follows:

Research in sclerosing disorders supported by NINDB

Fiscal year	Extramural		Intramural		Total	
	Number of projects	Amount	Number of projects	Amount	Number of projects	Amount
1959.....	55	\$931,263	14	\$158,003	69	\$1,089,266
1960.....	60	1,255,065	14	378,076	74	1,633,141
1961.....	70	1,574,543	12	172,900	82	1,747,443
1962 (estimate).....	96	2,120,000	14	237,000	110	2,357,000
1963 (estimate) ¹	95	2,490,000	16	264,000	111	2,754,000

¹ President's budget.

OFFICE OF VOCATIONAL REHABILITATION

MULTIPLE SCLEROSIS

1. Problems in rehabilitating this disability group

Multiple sclerosis, one of the major disorders affecting the central nervous system, is a chronic, usually progressive and crippling disease that strikes chiefly persons between 20 and 40 years old. Its cause is obscure; it is slow in onset; and there is no specific diagnostic test for this disease.

An estimated 250,000 persons in the United States suffer from this disease and an additional 250,000 from closely related diseases.

2. Accomplishments

(a) Federal-State programs.—

*Estimated and actual number of rehabilitants with multiple sclerosis 1959-63, State vocational rehabilitation agencies*¹

	Persons rehabilitated	
	Total	Multiple sclerosis
Fiscal year ending June 30—		
1959.....	80,739	263
1960.....	88,275	242
1961.....	92,501	280
1962.....	100,000	300
1963.....	110,400	330

¹ The total number of rehabilitants are actual for fiscal years 1959, 1960, and 1961; for fiscal years 1962 and 1963 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants disabled by multiple sclerosis are actual for fiscal years 1959 and 1960; for fiscal years 1961, 1962, and 1963 they are estimated on the basis of the proportion in the group for the preceding 5-year period.

Because multiple sclerosis is a progressive disease, forecasting employability for these individuals is difficult and unpredictable. For this reason, State rehabilitation programs often have not undertaken services for larger numbers of this disability group. In 1963 an estimated 330 such persons will be rehabilitated at an estimated expenditure of about \$220,000 with 280 and 300 persons (estimated) with multiple sclerosis rehabilitated in 1961 and 1962, respectively, with expenditures of Federal funds estimated at \$170,000 in 1961 and \$190,000 in 1962. The actual number of persons with multiple sclerosis rehabilitated in 1959 and 1960, respectively, were 263 and 242 with actual expenditure of funds being \$150,000 in 1959 and \$140,000 in 1960.

(b) *Training.*—There have been no specific training programs sponsored by the Office of Vocational Rehabilitation for multiple sclerosis. However, instruction about a number of neurological diseases is incorporated into the basic training program for a number of professional personnel such as rehabilitation counselors, and so forth.

(c) *Research.*—We have no projects or applications in this field as of January 1, 1962. This office supported a 2-year project at George Washington University, entitled, "A Study of Factors Influencing Individual Adjustment to Chronic Disease." This project specifically covered the psychological and psychiatric aspects of multiple sclerosis. The total project cost was \$9,553.57.

3. Research and training needs

A. Rehabilitation research needs—

(a) The study of various physical modalities used in physical medicine in the treatment of multiple sclerosis.

(b) The use of orthotic devices.

(c) The causes and treatment of spasticity.

(d) The causes and treatment of contractures and other complications.

(e) The therapeutic uses of various forms of heat to reduce symptoms.

(f) The use of activities of daily living techniques.

(g) Homemaking programs.

(h) Psychological and psychiatric evaluation and treatment of this condition.

(i) The use of various aids in increasing the vocational potential of these patients.

B. *Training needs.*—The basic need is that of trained personnel to treat, study, and to train patients with multiple sclerosis. These would fall in the category of physiatrists, physical therapists, occupational therapists, psychiatrists, psychologists, counselors, homemakers, nurses, speech therapists, and other related personnel.

4. Prospects for the future

With further advances in drug therapy, neurosurgical procedures, and rehabilitation techniques the potential of those suffering with multiple sclerosis should

be much greater than at present. It is our plan to encourage further research and training programs as well as the educational aspects of this disease. Since the larger proportion of persons with multiple sclerosis are women in the 20 to 40 age group, the objective should be to accept increasing numbers for services with the vocational goal of homemaker.

DRUG ADDICTION

Mr. FOGARTY. We will also place in the record the statement on drug addiction.

(The statement follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

DRUG ADDICTION

Three agencies of this Department are directly concerned with activities designed to combat drug addiction: the Food and Drug Administration, the Office of Vocational Rehabilitation, and the Public Health Service.

The Food and Drug Administration's activities include: (1) preclearance of new drugs and a review of drug labeling; (2) research to develop methods of detection and identification of drug properties; and (3) field investigations.

The Office of Vocational Rehabilitation, at present, has no intramural program. Rehabilitation activities are provided by the State rehabilitation agencies, partially financed by the Federal grant program (on a matching basis).

The Public Health Service provides consultation, technical assistance, and demonstrations through the National Institute of Mental Health in addition to providing extramural research through research grants and graduate training in the mental health professions. Intramural research consists of testing of new drugs and engaging in neurophysiological, biochemical, psychological, and psychomotoric studies.

The following table presents the total departmental obligations for the period 1959-63:

Agency	1959	1960	1961	1962 estimate	1963 estimate
Food and Drug Administration.....	\$400,000	\$465,000	\$600,000	\$660,000	\$850,000
Office of Vocational Rehabilitation ¹					
Public Health Service:					
Research grants.....	363,846	433,302	445,959	810,000	950,000
Direct obligations.....	266,358	335,113	354,626	454,000	454,000
Total, Public Health Service.....	630,204	768,415	800,585	1,264,000	1,404,000
Total, Department of Health, Education, and Welfare.....	1,030,204	1,233,415	1,400,585	1,924,000	2,254,000

¹ Obligation figures not available; however, it is estimated that these obligations do not exceed \$10,000.

The following statements, by agency, provide a more detailed picture of the activities of this Department relating to drug addiction.

FOOD AND DRUG ADMINISTRATION REPORT ON ACTIVITIES TO COMBAT DRUG ADDICTION

Essentially three activities are carried on by the Food and Drug Administration to help combat drug addiction: (1) Preclearance of new drugs and review of drug labeling; (2) research to develop methods of detection and identification of drug properties; and (3) field investigations.

PRECLEARANCE OF NEW DRUGS AND REVIEW OF DRUG LABELING

Under law, the Food and Drug Administration is responsible for the safety of all new drugs and must carefully evaluate such drugs prior to marketing. This evaluation is initiated at the time a manufacturer submits an application requesting permission to market his new product. The evaluation consists of

analyzing all the data reported on the application. This is done primarily by medical officers. When necessary, additional information is requested. In all cases, the manufacturer submits the results of laboratory and clinical tests with his application.

In the process of evaluating the safety of a new drug, an important consideration is whether the drug contains addicting properties. If such is the case, the new drug will not be approved unless special labeling requirements, including literature for the physician, disclosing such properties and warning of their dangers are properly complied with in every detail. These same warning label requirements, it must be emphasized, apply not only to new drugs but to all drugs on the market which contain addicting properties, and FDA periodically reviews these labels also. Such warnings to physicians, pharmacists and, in some cases, users directly contribute to combating drug addiction by cautioning physicians who prescribe addicting drugs, pharmacists who compound prescriptions, and users who could become victims without such safeguards.

RESEARCH

An important aspect of FDA's research efforts is the development of methods, mostly analytical, to detect and then identify ingredients or properties making up the products which fall under the agency's jurisdiction. Such methods are necessary if FDA is to enforce the laws for which it is responsible. Only by being able to detect and identify such ingredients and properties can evidence be developed to show adulteration and misbranding, prove false claims, and otherwise bring to light dangers to consumers.

In line with these efforts, FDA is constantly working to develop methods for the detection, identification, and determination of drug substances, some of which might be addicting. With such methodology FDA is able to analyze samples of known and approved drugs collected by inspectors in the field and determine if their addicting contents meet required standards and amounts—no more nor less than prescribed. In this way FDA can enforce the special labeling requirements for such drugs. In addition, where unmarked drugs of unknown origin are collected (a growing occurrence), FDA can determine if they contain addicting substances and, in some cases, obtain additional clues as to what their origin and eventual destination might be. In both cases such methodology contributes to combating drug addiction by providing evidence permitting FDA to take seizure action removing such improperly labeled or otherwise harmful drugs from the market before they do any harm.

FIELD INVESTIGATIONS

At the forefront of FDA's law enforcement efforts are its inspectors and chemists stationed in offices and laboratories located in 18 major American cities. FDA inspectors follow a planned schedule of inspections to cover as many of the plants, warehouses, and retail establishments under the agency's jurisdiction as possible with available manpower. However, they also undertake special investigations whenever information leads them to suspect violations of the law. The samples and other evidence they gather are analyzed by the field chemists, often using the methodology discussed above. The purpose of these activities is to make certain that the people who make products falling under FDA administered laws, the people who process them, who store them, distribute them, and sell them in retail channels are, in every case, abiding by the requirements of the law.

In fiscal year 1961, FDA assigned 171 inspectors (man-years) and 65 field chemists (man-years) to the general area of drugs. Of these, 46 inspectors and 11 chemists were specifically assigned to combat the illegal sale and distribution of prescription drugs. Considerable efforts were directed toward addicting drugs which make up a significant proportion of the total dangerous drugs sold illegally each year. Investigations centered around retail drugstores suspected of selling prescription drugs over the counter without prescriptions, as well as around other major channels of illegal distribution, such as truck stops and bars.

An addicting drug which has been finding its way more and more into illegitimate traffic are the barbiturates. When dispensed by prescription and used under proper medical supervision, these barbiturates are highly useful and effective in treating a variety of conditions. However, when misused, barbiturates can produce intoxication similar to alcoholic intoxication and their use in

large quantities produce the characteristic symptoms of narcotic drug addiction. Deaths from overdoses of barbiturates are all too common and, regrettably, part of the market for these drugs are young people in their teens.

Of late the illegal sale of barbiturates has become a racket of major proportions. Some 800,000 pounds of barbiturates are produced annually—enough to make over 3 billion capsules or tablets of one-tenth of a grain each. While the legitimate prescription volume is very large and a considerable amount is used in hospitals as anesthesia and for animal experimental work, there is every indication that there are more barbiturates available than are needed for therapeutic purposes. The barbiturates which go into illegal channels are often peddled to narcotic addicts who cannot get so-called hard narcotics, such as heroin or morphine, to young people seeking new and forbidden sensations, and to neurotics who use them as emotional crutches.

As a result of FDA efforts, 95 prosecution cases involving the illegal sale and distribution of barbiturates were instituted during fiscal year 1961. This record, in and of itself and apart from 1961 cases involving other addicting or habit-forming drugs, attests to the size of the problem and to the value of the role played by FDA in combating drug addiction.

It should be stressed that FDA has developed and maintained liaisons and cooperative arrangements with other agencies of the Federal Government responsible for waging the campaign against drug addiction. Each year, these liaisons produce contributions in the fight to protect Americans against the pitfalls of drug addiction and against drug addicts themselves. Such efforts also help to protect drug addicts from themselves.

Obligations, 1959-63

1959-----	\$400,000
1960-----	465,000
1961-----	600,000
1962 estimate-----	660,000
1963 estimate-----	850,000

OFFICE OF VOCATIONAL REHABILITATION

DRUG ADDICTION

While the State vocational rehabilitation agencies stand ready to accept for vocational rehabilitation services narcotics addicts following the maximum period of treatment necessary, few cases have been referred and, of those accepted, the number of successful closures has been minimal. Seven were rehabilitated in 1959 and 10 in 1960. Under the circumstances, it is not possible to give estimates beyond this point.

Perhaps the most intensive effort has been made by the New York State Division of Vocational Rehabilitation. In 1953 a counselor was assigned to maintain liaison with Riverside Hospital, the hospital on North Brother Island established for the treatment of young addicts. Although more referrals have been made to vocational rehabilitation and more cases accepted from this source than from any other, results have not been encouraging. The report of a followup study of the total hospital population made in 1959 by Columbia University School of Public Health for the Interdepartmental Health Resources Board of New York State points up the many difficulties encountered in working with this group.

The study involved all new admissions between 1955 and 1959, a total of 247 patients. A record analysis based on information from the hospital and the State department of correction showed that 86 percent of the group had either been rehospitalized for treatment of narcotics use or rearrested by the police, or both, one or more times. Only 4 percent had no new experience in institutions and were believed to have had no apparent difficulties in posthospital adjustment.

Under section 4(a) (1) of Public Law 565, funds are available for research and demonstration projects. We would like to see a research project undertaken to test the impact on posthospital adjustment of more intensive and extensive vocational rehabilitation services in the hospital and we have encouraged applications. Applications submitted to date in this area have not been sufficiently comprehensive in the resources offered.

In 1954 the President established an Interdepartmental Committee on Narcotics, representing the Departments of State, Treasury, Defense, Justice, and Health, Education, and Welfare. This Committee was charged with submitting

a report to the President at the end of 2 years. In turn, each Department appointed an Agency Planning Committee. In this Department, the committee was composed of representatives from each of the constituent agencies. It was the responsibility of these subcommittees to make an exhaustive study of the problem and report to the Interdepartmental Committee findings and recommendations reflecting the Department's position. The psychiatric social work consultant was the representative from the Office of Vocational Rehabilitation on the departmental committee for this Department. The report of the Interdepartmental Committee was transmitted to the President in February 1956.

One of the 13 recommendations would seem to be of special significance if the objectives of rehabilitation services are to be achieved:

"The Department of Health, Education, and Welfare, because of its long experience with and responsibility for the treatment of addicts, further recommends for consideration a legislative step designed to provide for greater opportunity for the rehabilitation of certain addict-violators, particularly in the groups whose criminal activity is secondary to their addiction. Under this proposal, wider latitude would be given to the courts by authorizing them, in the case of such addict-violators, to commit the convicted offender for a period of hospital treatment, followed by an extended period of conditional release under close supervision by specially trained personnel. This procedure would be limited to those with the best prospects for rehabilitation, and would be applicable only under optimal conditions of posthospital supervision. A few cases could be selected immediately for this procedure, to be supervised in the few communities where adequate personnel and service for effective supervision and rehabilitation are available. The plan could be gradually extended to additional communities as effective local rehabilitation programs are developed."

This Office feels that no one community agency can assume responsibility for the total rehabilitation of the discharged narcotics addict. While one agency such as the State health department might serve as coordinator, health, education, recreation, rehabilitation, and law enforcement must join forces in extending to the addict every opportunity for a return to a healthy and productive way of life.

SPECIAL REPORT: DRUG ADDICTION

INTRODUCTION

The National Institute of Mental Health is continuing to make a broad and diversified attack on the problem of drug addiction. This ranges from studies pertaining to the biochemical effects of narcotic drugs to encouragement of program development in local areas so their health and social agencies will provide services to drug addicts and their families as necessary. The major work on drug addiction in the National Institute of Mental Health is being carried on through the functions of the community mental health services by intramural research conducted by Institute staff and by research grants.

OVERVIEW

Although there are many unknowns concerning the development of drug addiction, progress is being made in its understanding. Drug addiction is a complex problem which probably results from many factors both within the person and in his social environment. Further knowledge of the life history of the addicts, of the impact of social and environmental factors upon them, and evaluative studies of different treatment methods are especially needed.

The great interest of a few years ago in the tranquilizing and psychotomimetic drugs has had a stimulating effect on research on narcotic drugs. More attention than formerly is given to the basic mechanisms of drug action. Narcotic drugs are often included in investigations focused on the new psychopharmacological drugs.

In the area of treatment care and rehabilitation of drug addicts, it will probably be necessary to consider drug addiction as a chronic, often intermittent type of illness, like some other forms of psychiatric disorder. It is becoming increasingly clear that hospital care alone is insufficient and that followup, rehabilitative services in the community are essential in the posthospital phase.

CONSULTATION, TECHNICAL ASSISTANCE AND DEMONSTRATIONS

During the year, the Institute provided technical assistance and consultation in several States based on expressed interest in coping more fully with the problem of drug addiction.

In 1957, the U.S. Public Health Service demonstration center, in New York City, was established by the Community Service Branch, National Institute of Mental Health, as a pilot project by which selected patients, returning to that city after discharge from the Public Health Service Hospital in Lexington, Ky., would be referred to appropriate community agencies. The goals of the project were: (1) to assist these agencies to extend their services to drug addicts, and (2) to continue a longitudinal study of the patterns of relapse and adjustment to the community found in a sample of the discharges from the hospital. An advisory committee was appointed to the center. Its members represented a number of city and State health and welfare agencies concerned with problems of drug addiction. Staff of the center worked in various ways to establish satisfactory relations with community agencies. Its staff offered consultative services to agencies and more of them began to give attention to the drug addict. The presence on the advisory committee of personnel from the various agencies and consultation to them from the demonstration center has, we believe, contributed a great deal to further development of programs in the area of narcotic addiction. During the past 2 years, the New York City Department of Health and the New York Community Mental Health Board showed increasing interest in assuming some responsibility relative to narcotic addiction. Currently, the demonstration center staff is writing up the report on its activities. The functions of the center as a pilot project are being gradually terminated. In order to profit as fully as possible from the experience of the social work staff of the center and the interest of the two local agencies mentioned above, a new proposal is being developed which will function within the framework of a local health department (district).

Through contractual arrangement, the National Institute of Mental Health will work with the New York City Department of Health and the New York Community Mental Health Board in carrying out the new project, which will include services by social workers and public health nurses, for work with narcotic addicts and their families.

STATE AND LOCAL PROGRAMS

As part of a treatment and research program for narcotic prisoners at the California Institution for Men at Chino, near Los Angeles, a parole system has been established for addicts in which a condition of parole may be participation in the experimental program. In this program, parole agents carry a caseload of 30 former prisoners. In addition to individual counseling, each parole agent does group counseling, mostly in the evening hours. The project is also testing the effectiveness of drugs like Nalline in the detection, control, and treatment of addiction. If an addict is found to be taking narcotics, he may be returned to prison. The original appropriation for this project was \$125,000 in 1958. In 1960, the California Legislature raised the appropriation to \$500,000 which made possible the opening of similar service units in other parts of the State.

In 1961, the California Legislature enacted legislation pertaining to narcotic addiction. It requires registration with local law enforcement authorities of persons convicted of, or released from confinement for, certain specified narcotics offenses, after effective date of act. In addition, procedures are provided for the involuntary commitment of a narcotic addict or person in imminent danger of narcotic addiction to custody of the director of corrections. The same bill establishes an institution in the department of corrections for narcotic addicts and persons in imminent danger of narcotic addiction. It authorizes transfer of youth authority wards to such institution.

Another bill "specifies that section, which lists places in which persons can be treated for narcotic addiction, and other provisions of division relating to narcotics, do not prohibit maintenance of a place in which persons seeking to recover from narcotic addiction reside and endeavor to aid one another and receive aid from others in recovery from such addiction, and that such provisions do not prohibit such aid, provided that no person is treated for addiction in such place by means of administering, furnishing or prescribing of narcotics." The enactment of this law should make it easier for "halfway houses" to be established for narcotic addicts.

In June 1961, the attorney general and director, California Department of Justice, submitted a 15-page "Report on the Synthetic Opiate Anti-Narcotic Testing Program" to the California Legislature. It includes information on anti-narcotic testing clinics established in a few counties of California and comments upon the nalorphine test which is used in those clinics. The report points out that the pupillary test with synthetic opiate antinarcotics is a useful tool for determining whether an individual is a narcotic user, but that a single test involving the change in pupil size alone is insufficient evidence to establish this fact beyond a reasonable doubt.

In August 1960, a narcotic withdrawal ward was established at Bridewell Hospital (associated with city of Chicago, Ill., jail system). During the first 4 months, 101 patients had been admitted for care. The majority were referred by court order although a few patients voluntarily committed themselves for withdrawal care. There also have been a few cases transferred from the general wards of Bridewell Hospital to the narcotic ward.

An Institute for Alcoholism and Narcotic Addiction was established in Philadelphia, Pa. In early January 1961, some of its staff went to the U.S. Public Health Service hospital in Lexington for an orientation period. The institute is a part of the division of behavioral problems, State department of health, and has a collaborative relationship with the Philadelphia Department of Health and Philadelphia General Hospital. Financial support is a combination of State and city funds.

The Narcotic Control Commission of New Jersey continues to be active. It publishes an informative annual report and has interest in encouraging the development of treatment services within the State.

Since 1959, New York has taken several major steps to strengthen its program for narcotic addiction. A State appropriation of \$300,000 made it possible to open a research facility at Manhattan State Hospital. Its 55-bed unit is the basic one for research on narcotic addiction.

More recently, the New York State Department of Mental Hygiene has established two new units for the care, treatment, and rehabilitation of narcotic addicts. An 80-bed inpatient unit to serve the downstate area was opened in April 1961 at Central Islip State Hospital, Long Island, while the other, a 20-bed inpatient unit, is located at Utica State Hospital to serve patients in the upstate area. In January 1959, New York City's Department of Hospitals accepted responsibility for narcotic addicts who committed themselves voluntarily. That department may refer the patient to a mental health clinic in a city hospital or may provide inpatient care. Riverside Hospital, which is also part of New York City's Department of Hospitals, continues to provide inpatient and outpatient care for drug addicts under 21 years of age. The New York State Health Department, State mental hygiene department, and the New York City Community Mental Health Board contribute to the support of the program at Riverside Hospital. At that hospital, approximately 15 percent of 2,280 first admissions in the initial 8½-year period were self-referrals. Five of the 2,280 first admissions were 13 years of age and 175 were over 21. The 18-, 19-, and 20-year age groups accounted for 1,478 of the 2,280.

The New York State Division of Parole issued a report evaluating their 3-year special narcotics projects which began in 1956. In this experimental project, four well-trained caseworkers tested the efficacy of intensive authoritative casework with a small group of young drug addicts on parole. In the last year of the demonstration, group therapy sessions were conducted by a psychologist. Although the evidence was not conclusive, there were many indications of the success of the service and the Governor has recommended that the project become a permanent part of the operations of the division of parole.

Within New York City, there has been increased evidence of interest in the problem of narcotic addiction. For example, the assistant commissioner, New York City Department of Health, was designated in early 1961 by the mayor as "New York City coordinator for adolescent narcotic addiction activities." For several months, the Community Council of New York City had a subcommittee on survey of community resources for narcotic addiction. It completed and assembled a nonevaluative summary of those resources which were available in New York City. The assistant commissioner has recommended that the city department of health establish a division for addictive disorders. The proposed division would have functions relative to alcoholism as well as narcotic addiction. Several of the community resources for narcotic addicts are agencies to which personnel of the demonstration center made referrals, provided consultation, and in other ways secured their involvement in program development.

Tests of new drugs

Testing the addiction liabilities of new narcotic drugs remains an important part of the research program of the institute at the Addiction Research Center, U.S. Public Health Service hospital, Lexington, Ky. This work is closely coordinated with the program of the Committee on Drug Addiction and Narcotics, National Research Council. The studies have four purposes:

(1) To provide information on the degree of addictiveness of newly discovered agents that are likely to come into the market. This information is necessary to determine whether these drugs should be subjected to national or international legal control.

(2) To develop pain-relieving, cough-suppressing, and constipating drugs with reduced addictiveness.

(3) To provide information on therapeutic and toxic properties of these drugs before they are introduced into clinical practice.

(4) To elucidate the basic mechanisms of tolerance, habituation, physical dependence, and their aspects of drug addiction.

Following many years of discouraging results, it now appears possible to develop drugs with reduced addictive liabilities. The program has developed materials for the relief of cough which are not addictive (dextromethorphan, narcotine), an effective constipating agent with minimal addictiveness (diphenoxylate of R-1132), and two drugs that are as effective as codeine for the relief of pain but with reduced addictiveness (dextrophoxphene and the isoquinoline compound known as I-K-1). There is as yet, however, no drug that is as effective as and less addictive than morphine for pain relief, but investigations are proceeding with a member of the phenothiazine group (levomepromazine) that has been reported to be as effective as morphine for relief of postoperative pain, and with a new series (the indanes) which, through analgesic, have spectrums of pharmacological effects quite different from those of morphine.

Neurophysiological studies

Neurophysiological studies at the Addiction Research Center have been following two main lines: (1) Investigation of the changes occurring during addiction to opiates in experimental animals, and (2) investigation of changes occurring during cycles of barbiturate addiction in cats or dogs. Studies on opiate addiction have been facilitated by the development of a technique for developing tolerance and physical dependence in dogs within a few hours by the continuous infusion of morphine. This method is already being used as an additional procedure for evaluating the addictiveness of new drugs in animals. However, physiological differences of a quantitative nature between acute and chronic physical dependence have been found. Changes in acute tolerance and dependence are mediated by mechanisms above the level of the spinal cord, whereas the changes in chronic dependence are mediated by mechanisms at the spinal as well as at supraspinal levels. The work has led to the development of an hypothesis that the basic physiological change in tolerance and dependence may consist of an increase in the activity of nervous pathways that are parallel to normal nervous pathways, but which become operative only when the primary pathways are depressed by morphine. Efforts to test this hypothesis are underway.

Studies on the neurophysiology of barbiturate addiction currently consist of (1) attempts to localize the sites within the nervous system responsible for the syndrome of abstinence from barbiturates and (2) studies on possible changes in neurohumoral mechanisms during addiction to barbiturates. It has already been shown that the cerebral cortex plays a major role in the development of addiction to barbiturates, since decorticated dogs are more resistant to the effects of barbiturates and have fewer withdrawal seizures. The role of the cerebellum is now being investigated and eventually the studies will include changes in brainstem centers. A mixture of the amino acids, *l*-arginine and glutamic acid, partly suppressed withdrawal seizures in some addicted dogs. Since administration of these amino acids may raise the level of gamma amino butyric acid in brain it is possible that changes in the brain level of GABA are correlated with the development of addiction to barbiturates.

Biochemical studies

Biochemical studies have been concerned with the levels of the neurohumors, epinephrine and norepinephrine, in brain and other organs during cycles of addiction in rats. Morphine induces only slight changes in the levels of these

materials when given in single dose or even when given chronically. Following withdrawal of morphine, levels of catecholamines in the adrenal gland are markedly elevated. The studies are continuing. Sensitive and specific methods for detecting opiates and meperidine in urine have been developed and are in use.

Psychological studies

The Addiction Research Center inventory for assessing the subjective effects induced by various drugs were further refined during the year. The inventory developed by the psychological staff distinguishes between the various types of drugs of interest to the Addiction Research Center and gives good dose-response curves. Subscales of the main inventory are now being used in clinical studies on opiates and psychotomimetic drugs.

Additional data on the relationship of social deviance to addiction was obtained during the year, and a general hypothesis of the etiology of addiction in the United States emphasizing the importance of social deviance has been developed. Future studies will be framed in terms of the main hypothesis. Collection of data on judgment of odds by psychopaths and nonpsychopaths is being continued, and have confirmed the original finding that the behavior of psychopaths is more influenced by the objective odds of chance occurrences than is the behavior of normal persons.

Using rats, the psychological section has been able to show that only morphine and similar drugs give significant dose-response curves in reducing pain-conditioned anxiety in rats. Attempts to develop experimental analogues of relapse in humans are being continued. It has been shown that rats become addicted to the potent morphine-like drug, I-G-2, and that as addiction proceeds the rats lose their initial aversion to solutions of this substance. As yet, however, they have not succeeded in inducing relapse in formerly addicted rats, but these studies are continuing and may be extended to monkeys in collaboration with the University of Michigan.

Psychotomimetic drugs

The studies on psychotomimetic drugs are carried out because cocaine, marijuana, and mescaline (the active principle in the peyote cactus used by American Indians) induce temporary psychotic states in man and are important problems in public health in the United States and in other parts of the world. In addition, investigation of these agents is important to research on schizophrenia and other natural psychoses. Previously it was shown that administration of increasing daily doses of LSD-25, psilocybin, or mescaline results in diminishing effects (tolerance). Patients who were tolerant to any of these drugs were also tolerant to the other two. However, patients made tolerant to amphetamine were not also tolerant to LSD, indicating that mescaline, psilocybin, and LSD do not induce toxic psychoses by an "adrenergic" or epinephrinelike action. The studies are now being extended to the cholinergic blocking drugs (scopolamine, atrophine) and the piperidyl benzylates.

EXTRAMURAL RESEARCH

Research grants awarded through the Research Grants and Fellowships Branch and the Psychopharmacology Service Center include a large number relating to drug addiction.

Six grants totaling \$85,289 have been categorized in one category alone, namely, drug addiction. Fifteen additional grants, for a total of \$360,670, relate to drug addiction, but have been categorized in more than one area. The research supported by those grants represents a broad attack on the problem, including, for example, studies of biochemical and metabolic effects of addiction; tests of new drugs designed to block the addictive properties of morphine-type drugs, while permitting their desirable, analgesic effects to go on unhindered; long-term assessments of the posthospital adjustment of addicts; and analyses of personality characteristics among those prone to addiction.

Several months ago, the National Institute of Mental Health was approached by a group from Illinois representing the State of Illinois Narcotic Control Division as to the possibility of developing a simple, rapid urine test for the presence of opium alkaloids. The division has responsibility for following all identified drug addicts after these individuals have completed prison sentences or periods of hospitalization. At present these postaddicts are being followed by a nalline test and equally cumbersome and expensive urinary determinations.

Based in part on the interest of the Illinois personnel, a group of 11 experts in drug addiction and opiate chemistry met at Bethesda on December 16, 1960. The meeting was also attended by scientists connected with narcotic addiction programs in Illinois, California, and New York, the three States with the largest drug addiction problem.

The meeting began by discussing the adequacy of the Nalline test as it is now used in both California and Illinois. It was agreed that the Nalline test, particularly when pupillary change is the only measure of Nalline effect utilized, is relatively unreliable. Data from both Illinois and California showed that modest numbers of individuals with positive Nalline tests failed to show opiates in their urine and modest numbers of individuals with negative Nalline tests did show opiates in the urine. The group agreed that work on the development of better and more efficient methods for the routine analysis of urines for opiate alkaloids was highly desirable because of the growing volume of work of this sort in States such as California and Illinois which were closely following identified drug addicts to detect recidivism at an early stage. The further work needed to establish the practicability of utilizing gas chromatographs for the routine analysis of urine samples was felt by the group to deserve a high priority.

At this time, a research project pertaining to development of a rapid test for narcotic excretion is being carried on in the Department of Pharmacology and Toxicology, University of Wisconsin. The specific aim of the proposed work is to develop a rapid and accurate procedure for the detection of opiate alkaloids in urine. It is also proposed to apply the techniques developed during the study to problems relating to the excretion of opiates. A simplified, rapid, yet thoroughly reliable method for the identification or exclusion of narcotic drugs in urine could do much not only in the primary detection of addicts, but also it would be helpful in deterring the abstinent addict from relapse, knowing as he would that his detection would be prompt and certain if using narcotics.

TRAINING AND EDUCATION

The general graduate training in the mental health professions, which receive support through the Institute, includes preparation for a number of specialties. Within this preparation, training toward competence for working in the area of drug addiction might well be included.

For many years, the Public Health Service hospitals in Fort Worth and Lexington and the Institute Addiction Research Center have provided training for personnel from the United States and many foreign countries. This training in clinical care and research has been for psychiatrists and other medical personnel, nurses, psychiatric aids, psychologists, chaplains, and students of medicine and pharmacy. Staffs from the two hospitals and the center have participated in many professional meetings and are the authors of significant publications. It is of importance also to note that the two hospitals and the center have been visited for various lengths of time by personnel from many States and foreign countries as an aid to them in program development at their respective locations.

PROFESSIONAL ASSOCIATIONS

The 1959 conference of the Surgeon General with State and Territorial mental health authorities adopted a recommendation encouraging the Public Health Service to establish an ad hoc committee of State mental health and Hill-Burton authorities to work with it in formulating treatment and administrative guidelines which State agencies could use in developing a statewide plant for mental health facilities. The ad hoc committee was appointed in 1959 and its report, "Planning of Facilities for Mental Health Services," was published in 1961 as Public Health Service Publication No. 808. Drug addiction was one of a few social problem areas which received attention by that ad hoc committee and is mentioned in the report.

The work of the Joint Committee of the American Bar Association and the American Medical Association on Narcotic Drugs marked an important cooperative undertaking between two important professions. The interim and final reports of that joint committee were made available to the general public in 1961 by an Indiana University press publication, "Drug Addiction: Crime or Disease."

The American Bar Foundation, as a legal research organization, neared completion of its study, "Narcotics and Law," in the field of narcotic drug laws.

FISCAL OBLIGATIONS

Below is a summary of NIMH obligations in the field of drug addiction for the fiscal years 1959-63:

Fiscal year	Research grants	Training grants	Direct obligations	Total obligations
1959-----	\$363,846	-----	\$266,358	\$630,204
1960-----	433,302	-----	335,113	768,415
1961-----	445,959	-----	354,626	800,585
1962-----	810,000	-----	454,000	1,264,000
1963-----	950,000	-----	454,000	1,404,000
Total-----	3,003,107	-----	1,864,097	4,867,204

ALCOHOLISM

Mr. FOGARTY. The last statement, one of the really big problems that has received far less attention than its seriousness deserves—alcoholism. We will place that statement in the record at this point. (The statement follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ALCOHOLISM

The Office of Vocational Rehabilitation, one of the two agencies of this Department directly concerned with the problems of alcoholism, will spend an estimated \$602,000 in fiscal year 1963 in programs related to alcoholism. Approximately 75 percent of this amount will be spent in rehabilitating an estimated 690 alcoholics through the State vocational rehabilitation agencies. The remaining 25 percent will be spent in continuing research projects begun in 1961 or earlier as well as on new projects related to alcoholism.

The Public Health Service will spend an estimated \$2,825,803 in fiscal year 1963 in research and training grants in alcohol programs. The many areas of research in which investigations are being supported range from basic biochemical studies to those involving complex social relationships. In addition, support is provided for determining the effectiveness of various forms of the treatment of alcoholics as well as for various research projects which are indirectly related to this problem. The Public Health Service also provides technical assistance and consultation services to State and local agencies.

The following table presents the total departmental obligations for the period 1959-63:

Agency	1959	1960	1961	1962 estimate	1963 estimate
Office of Vocational Rehabilitation:					
Grants to States-----	\$140,000	\$175,000	\$260,000	\$350,000	\$450,000
Research-----	88,842	80,158	156,828	129,000	152,000
Training-----				6,500	
Total, OVR-----	228,842	255,158	416,828	485,500	602,000
Public Health Service, National Institute of Mental Health:					
Research grants-----	870,927	1,068,516	1,262,954	2,300,000	2,800,000
Training grants-----	5,200			58,019	25,803
Total, PHS-----	876,127	1,068,516	1,262,954	2,358,019	2,825,803
Total, HEW-----	1,104,969	1,323,674	1,679,782	2,843,519	3,427,803

The following statements provide further detail concerning programs related to alcoholism.

OFFICE OF VOCATIONAL REHABILITATION

ALCOHOLISM

1. Problems in rehabilitating this disability group

The Committee on Alcoholism of the World Health Organization has defined "alcoholics" as: "Those excessive drinkers whose dependence on alcohol has attained such a degree that they show noticeable mental disturbance and an interference with their bodily health, their interpersonal relations, their smooth social and economic function and who show prodromal signs of such developments."

In the field of vocational rehabilitation, alcoholism is a most serious problem. It is estimated that there are nearly 5 million victims of alcoholism in the United States today. About 2 million of these are job holders who constitute almost 3 percent of the entire industrial force. Some 200,000 new cases arise annually. Wage losses attributed to alcoholism amount to almost \$4½ million a year. It ranks with cancer, heart disease, and mental illness as one of the four major health problems.

Most State vocational rehabilitation agencies accept alcoholism cases. Eligibility is determined and services for the treatment of alcoholism are purchased subject to the State criteria as applied to any other disability that constitutes an employment handicap.

It is the general policy of many State vocational rehabilitation agencies to accept for service only those persons diagnosed as alcoholics who are members of Alcoholics Anonymous. While there is a growing recognition that vocational counseling of the alcoholic together with adequate treatment measures may mean the difference between his recovery and successful personal, social, and vocational adjustment on the one hand, and his failure or relapse on the other, it is also recognized that support and close supervision at all times, such as is available through Alcoholics Anonymous, is indispensable in achieving total rehabilitation.

2. Accomplishments

Federal-State program.—Each year State vocational rehabilitation agencies are making progress in rehabilitating more alcoholics into gainful employment. An estimated 690 alcoholics will be rehabilitated in fiscal year 1963, expending for this purpose an estimated \$450,000 in Federal funds in addition to State funds. In 1962 an estimated 550 were rehabilitated at an expenditure of \$350,000 in Federal funds. In 1961, 440 at an expenditure of \$260,000 in Federal funds. In 1960, 309 at an expenditure of \$175,000 in Federal funds, and in 1959, 246 at a Federal expenditure of \$140,000.

Estimated number of alcoholics rehabilitated by the State vocational rehabilitation agencies in fiscal years 1959-63

Major disability	Number of rehabilitants in fiscal years—				
	1959	1960	1961	1962	1963
All rehabilitants.....	80, 739	88, 275	92, 501	100, 000	110, 400
Number of rehabilitants with major disability of alcoholism.....	246	309	440	550	690
Proportion of rehabilitants with major disability of alcoholism.....	0.3	0.4	0.5	0.5	0.6

NOTE.—The total number of rehabilitants are actual for fiscal years 1959, 1960, and 1961; for fiscal years 1962 and 1963 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants in the various disability groups are actual for fiscal years 1959 and 1960; for fiscal years 1961, 1962, and 1963, they are estimated on the basis of the proportion in the group for the preceding 5-year period.

Extension and improvement project serving alcoholics.—A research and demonstration grant was made to the University of Utah to develop the role of vocational evaluation in an alcoholic rehabilitation program. The Utah rehabilitation agency felt this project has demonstrated effectively a concentrated clinic team approach to the alcoholic and his problem. Consequently, when the research and demonstration project was completed the Utah agency ini-

tiated an extension and improvement project: Specialized rehabilitation services for alcoholics. This project was awarded \$7,251 in 1960; \$7,280 in 1961; and \$7,266 in 1962, the final year for support as an extension and improvement project.

Although the Colorado agency's extension and improvement project is primarily to improve services to the mentally ill, it has added one counselor to serve the alcoholics.

Research.—Under the research and demonstrations grant program as authorized under Public Law 565, the Office of Vocational Rehabilitation has granted funds for seven research projects on alcoholism. Three projects have been completed; four are currently active.

Grant awards for research and demonstration projects in alcoholism

Project No.	Grantee	1959	1960	1961	1962 ¹	1963 ²
256	University of Utah, Salt Lake City ³	\$34,386	-----	-----	-----	-----
284	Volunteers of America of Los Angeles, Inc. ³	31,090	\$41,118	-----	-----	-----
403	Connecticut Commission on Alcoholism, New Haven ³	23,366	-----	-----	-----	-----
418	National Council on Alcoholism, New York.....	-----	39,040	\$45,100	\$45,000	-----
	(A demonstration of the value of vocational counseling in a psychiatric oriented rehabilitation program for alcoholics. A 3-year project in the final year.)	-----	-----	-----	-----	-----
616	The Salvation Army, San Francisco.....	-----	-----	46,290	50,000	\$50,000
	(To demonstrate the effectiveness of a long-term in-residence vocationally oriented program, in both rural and urban semicontrolled environments, for the rehabilitation of selected alcoholics. A 5-year project now in the 3d year.)	-----	-----	-----	-----	-----
640	Florida alcoholic rehabilitation program, Avon Park.....	-----	-----	31,271	-----	33,000
	(To analyze and evaluate the collaborative techniques used by a State alcoholism program and State rehabilitation service in rehabilitating 200 alcoholic patients. A 3-year project now in the 3d year.)	-----	-----	-----	-----	-----
726	University of California, Los Angeles.....	-----	-----	34,167	34,000	34,000
	(To study career patterns of alcoholics in order to identify the relationship between drinking and vocational adjustment.)	-----	-----	-----	-----	-----

¹ Includes actual award if made; otherwise budget estimate used.

² Estimated amounts.

³ Completed project.

Summary of projects as of Jan. 15, 1962

Totals:		
Fiscal year 1959.....		\$88,842
Fiscal year 1960.....		80,158
Fiscal year 1961.....		156,828
Fiscal year 1962:		
Continuations.....		129,000
New grants made.....		None
Total.....		129,000
Fiscal year 1963:		
To continue projects begun 1961 and prior.....		117,000
To continue new 1962 projects.....		None
Total continuations.....		117,000
Estimate for new projects.....		35,000

Training courses for rehabilitation of alcoholics.—While the Office of Vocational Rehabilitation has made only one training grant specially in the field of alcoholism some attention has been given to this subject in nearly all of the short-term training courses on mental illness. The subject is also given some attention in the 2-year training grant program in the various universities re-

ceiving grants for counselor training. Some of the hospital fieldwork programs afford an opportunity for some extensive study of the problem and in California, at the San Francisco State College, a counselor had his fieldwork placement with the California Commission on Alcoholism.

Each year a number of counselors from the State vocational rehabilitation agencies attend the Yale Summer School on Alcoholism and also those held locally such as in Colorado, Utah, and Louisiana. As counselors become more skilled in working with this group rehabilitations may be expected to increase.

In 1962, a grant of \$6,500 was made to Millsaps College in Jackson, Miss., for training counselors and other health and welfare workers concerned with the rehabilitation of the alcoholic.

OFFICE OF VOCATIONAL REHABILITATION

Financial support for alcoholism

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963
Number of rehabilitants.....	246	309	440	550	690
Grants to States.....	\$140,000	\$175,000	\$260,000	\$350,000	\$450,000
Research.....	88,842	80,158	156,828	129,000	152,000
Training.....				6,500	
Total, OVR.....	228,842	255,158	416,828	485,500	602,000

SPECIAL REPORT: ALCOHOLISM

INTRODUCTION

The National Institute of Mental Health's program in the field of alcoholism is designed to meet certain immediate needs and to provide a broad, firm base for expanding activity. The specific needs which are being met are concerned with increasing research activities and training programs, attracting competent scientific personnel to the field, and evaluating the current state of knowledge. Concomitantly, consultation and technical assistance services are provided to the several States and interested professional and lay groups.

Alcoholism is viewed by the Institute as a reaction to a series of stressful situations generated by a dynamic and complex interaction of physical, psychological, and social factors. The extent to which each of these factors contribute to the alcoholism syndrome is not now known. While the development of effective treatment and prevention techniques does not necessarily have to await the determination of the specific etiology of alcoholism, such determination will aid in reducing its incidence and prevalence. The Institute's program is, therefore, planned to acquire knowledge pertaining to the relationships among the physical, psychological, and social factors.

PROGRAM DEVELOPMENT

During the past several years, four projects especially germane to the Institute's program in the field of alcoholism were initiated. Prior to that time little systematic work in this area had been undertaken by the Institute. While these projects vary in content and method, the common underlying purposes are to clarify and evaluate existing knowledge and to provide a broad understanding of drinking behavior so that ultimately effective intervention and prevention techniques may be developed. Since these projects are currently underway, no conclusions or results can be presented at this time. However, a brief review and statement of current activities are possible.

Cooperative commission on the study of alcoholism.—The recently formed cooperative commission was the result of the combined efforts of Institute staff members and the North American Association of Alcoholism Programs (NAAAP), an organization of State and Provincial alcoholism program administrators.

While the NAAAP and NIMH were instrumental in its formation, the Commission is an independent organization supported in part by a grant from the Institute.

The major tasks of the cooperative commission, under the direction of a scientific director, are: (1) to make a comprehensive study of such scientific knowledge as now relates to alcohol use and alcoholism; (2) to inventory, study, and evaluate activities, programs, and resources now playing a significant part in attempts to solve or control the problems of alcoholism; (3) to investigate relationships between alcoholism organizations and other resources such as those in the fields of mental health, tuberculosis control, correction, and professional schools for the training or treatment and research personnel; (4) to use the results of these studies to formulate policies and recommendations for improving treatment, education, and prevention; and (5) to identify in broad terms what further research is urgently needed.

Dr. Robert Straus, chairman, Department of Behavioral Science, School of Medicine, University of Kentucky, is chairman of the commission and Dr. Nevitt Sanford, professor of psychology, Stanford University, is the scientific director. There are 20 commission members, representing diverse but related scientific disciplines. Dr. E. M. Jellinek, former director for the Yale Center of Alcohol Studies and consultant to WHO, has recently joined the commission's staff and will function as a special consultant for a period of a year.

Alcohol usage patterns.—The first phase of this project, during which techniques and methods for eliciting reliable information about nonpathological alcohol consumption have been developed, is nearly completed. It is anticipated that the second phase will include a national study of the use of alcohol to provide adequate baseline data against which a determination of the extent of deviant alcohol consumption may be made. Currently, the project is located in the Division of Alcoholic Rehabilitation of the California State Department of Public Health.

Influence of sociocultural factors.—This project deals with the influences of social factors on drinking behavior and the occurrence of alcoholism. In one Colorado community three ethnic groups are being studied to determine the various ways in which cultural factors predispose toward alcoholism and the various ways in which the groups cope with the alcoholic. Alcoholism, however, is only one of several forms of deviant behavior which are being studied.

Nomenclature.—One of the hindrances to the advancement of understanding in the field of alcoholism has been the confusing manner in which the terminology in the field has been used. The purpose of this project is to clarify the meanings of key terms and concepts and in the process to build a precise vocabulary to be used for both research and clinical purposes.

RESEARCH

So far as we know, no one etiological factor causes alcoholism. Investigations are being supported, therefore, in many areas of research, ranging from basic biochemical studies to those involving complex social relationships. They include the following: the relationships between adrenal gland activity and alcohol intoxication, the metabolism of alcohol, and the effects of alcohol on the central nervous system; the effects of alcohol on personality; the effects of alcohol on the mental processes; and investigations of auditory and visual hallucinations produced in acute alcoholic psychosis; finally, in the sociocultural areas there are investigations pertaining to the relationship between adult drinking patterns and the socialization process, to the variations in prealcoholic drinking among three nations, and to the orientations of wives toward their husbands' alcoholism.

The Institute also provides support for determining the effectiveness of various forms of treatment. Included are investigations of drug therapy for depressed and schizoid alcoholics, of the effects of initial therapeutic contact, and of the ways in which hospital treatment programs can be continued through referral to community agencies.

In addition to these examples of investigations directly related to alcoholism, there are many research projects which indirectly relate to this problem. Support in the basic disciplines, e.g., physiology, psychiatry, psychology, and sociology, as well as those pertaining to mental health problems in industry, may eventually lead to a greater understanding and control of alcoholism.

TRAINING

Support of training in alcoholism is maintained as an integral part of the general training program in psychiatry, psychology, social work, and nursing. In addition, however, two training grants have been made specifically in the area of alcoholism. One of these is designed to prepare students in casework, who will become familiar with the treatment and rehabilitation problems associated with alcoholism and also to prepare persons with community organization skills to aid in the State programs as well as public health education and volunteer activities. The second grant is a pilot project designed to train social scientists in the area of alcoholism. The trainees are predoctoral students who will engage in seminars and research activities focused on alcoholism. Parts of other grants are concerned with the training of general practitioners and residents, since the medical profession is in a key position to promote community interests and understanding of the alcoholism problem.

While not solely concerned with training, a grant has been made to Rutgers University, New Jersey, to aid in the transfer of the Center for Alcohol Studies from Yale University to Rutgers. The grant will also enable this well-known center to expand its research, education, and publication activities. The center has made significant contributions to the field and its continued existence should do much to advance the understanding of alcoholism.

PROFESSIONAL AND TECHNICAL ASSISTANCE

Technical assistance and consultation services were provided State and local agencies by central and regional office personnel. Assistance is also provided States through technical assistance projects (TAP's). These workshops or conferences which are held in a specific State on a particular problem effectively strengthen alcoholism programs by bringing to people working on State problems expert knowledge in the problem area. Four TAP's were held in 1961: Planning Agency Participation in a State Alcoholism Program (South Dakota); Nursing Care for the Alcoholic in the General Hospital Setting (Massachusetts); Education about Alcohol (Kansas); and Developing an Effective Alcohol Education Program in the Public Schools (Georgia).

In Prince Georges County (Md.), a collaborative project sponsored by the Institute's Mental Health Study Center and the Prince Georges County Health Department is in its third year. This project was initiated to determine the ways in which community resources might be used most effectively in rehabilitating the alcoholic and aiding his or her family, to explore ways in which educational and preventive measures might be undertaken, and to evaluate the efforts being made to assist the alcoholic. Recently a cooperative relationship has been established with the Spring Grove State Hospital, so that every alcoholic patient discharged from the mental hospital who is a resident of Prince Georges County is followed up systematically by the county clinic's staff. The significance of this project lies in its effort to mobilize all the county's resources to aid the alcoholic; the evaluation phase, when completed, should provide a measure of the effectiveness of this approach.

During the past 2 years, Institute staff members have been working closely with the Division of Accident Prevention, BSS, PHS, in the field of drinking and driving. A national conference on this topic was held in 1961. Representatives from law enforcement agencies, public health departments, the judiciary, legal profession, psychology, physiology, sociology, and other related disciplines attended. There has been a great demand for the papers presented at the conference; and two half-hour educational television shows are being prepared on this subject.

Consultation to the several States continues as new State programs are initiated and others modified. For example, in Illinois and Indiana, State departments of mental health, each including a division of alcoholism, were established. Kentucky created a division of alcoholism in the State department of health, while New York created a similar division in the State department of mental hygiene. Maryland and Iowa established commissions on alcoholism. These various State activities reflect a growing awareness of the problems associated with alcoholism and the fact that the several States are planning to deal more effectively with them.

SUMMARY

Alcoholism is a complex problem which has physical, psychological, and social facets. It is essential, therefore, that investigations of these facets, both separately and in combination, be supported. It is essential, too, that a broad base of knowledge about drinking behavior and alcoholism be established if effective control and preventive measures are to be instigated.

The establishment of the independent Cooperative Commission on the Study of Alcoholism will provide for a systematic review of what is known and what needs to be known about alcoholism. Many of the problems in the field will be brought under scientific scrutiny and can be attacked in a coordinated manner. However, the difficulties resulting from the shortage of scientific personnel, of inadequate and inaccurate knowledge, and of generally low prestige of the field remain. The Institute's program is designed to aid in overcoming these substantial problems.

Funds obligated for the various alcohol programs for the years 1959-63:

Year	Research grants	Training grants	Total
1959.....	\$870,927	\$5,200	\$876,127
1960.....	1,068,516		1,068,516
1961.....	1,262,954		1,262,954
1962.....	¹ 2,300,000	58,019	2,358,019
1963.....	¹ 2,800,000	25,803	2,825,803
Total.....	8,302,397	89,022	8,391,419

Estimate.

SPECIAL AWARDS AND HONORS TO HEW PERSONNEL

Mr. FOGARTY. It seems to me that I read in the papers every few days about some official of the Department getting honored by national and international organizations. I think this Department has some of the best people in our Government. We will put in the record a list of awards these people have received during the past calendar year.

(The information referred to follows:)

FOOD AND DRUG ADMINISTRATION

Following is a list of FDA personnel who received special awards during calendar year 1961 for outstanding civilian service:

BUREAU OF MEDICINE, FDA

Dr. Irvin Kerlan

1. Outstanding Achievement Award from the University of Minnesota, April 1961. In recognition of professional attainment by a distinguished graduate of the University of Minnesota. Noted founder of one of the world's leading collections of children's books.

2. Honorary associate member of the American Dental Association. For his contributions to the advancement of dentistry.

3. Included in the authors and writers Who's Who published by Burke's Peerage, Ltd., London (fourth edition).

4. Serving as chairman, Committee on Toxicology, Standard Nomenclature of Diseases and Operations, American Medical Association, 1961 (fifth edition).

5. Member, International Advisory Council of the Books for the People Fund, Inc. of the Pan American Union.

6. Featured in an article entitled, "The Hobby That Grew Like a Beanstalk" which appeared in the Star magazine, Washington, D.C., July 23, 1961, by Harriet Griffiths.

BUREAU OF PROGRAM PLANNING AND APPRAISAL, FDA

Homer J. McConnell

From the Office of Civil and Defense Mobilization—Certificate of Appreciation awarded to Homer J. McConnell for outstanding service to civil defense in recognition of his invaluable personal contribution as an author and lecturer and for exceptional leadership in providing encouragement and information to American industry in preparing for nonmilitary defense and survival. Dated January 4, 1961, and signed by Leo A. Hoegh, director, Office of Civil and Defense Mobilization.

BUREAU OF FIELD ADMINISTRATION, FDA

Ernest Deal, supervisory chemist, New Orleans District, FDA

Certificate of Merit from Xavier University for outstanding job as lecturer.

Tommy Nannetta Tyson, clerk-dictating machine transcriber, Dallas District, FDA

Received a citation from the National Employment of the Physically Handicapped Association.

BUREAU OF BIOLOGICAL AND PHYSICAL SCIENCES, FDA

Paul A. Clifford, chemist

Harvey W. Wiley Award from the Association of Official Agricultural Chemists (AOAC) for his notable contribution to the progress of analytical methodology for chemical contaminants. For outstanding and authoritative researches on the determination of heavy metals in foods. For his significant studies resulting in practical methods for the determination of inorganic and organic pesticide residues and their detection in foods and for his editing of the journal of the association during a period of expansion and revision.

OFFICE OF EDUCATION

SPECIAL AWARDS FROM NON-GOVERNMENT SOURCES

A certificate and citation in recognition of exemplary accomplishments and special contributions to the efficiency and special contributions to the efficiency and prestige of the public services was made to Dr. Ward S. Mason, head, Teacher Personnel Statistics Unit, Educational Statistics Branch, Division of Research and Statistics, by the William A. Jump Memorial Foundation.

OFFICE OF VOCATIONAL REHABILITATION

Special awards from non-Government sources, calendar year, 1961

Name of person	Name of award	From whom	Reason for award
Mary F. Switzer	Doctor of Humane Letters	Western College for Women, Oxford, Ohio.	"To recognize the outstanding contribution of Mary Elizabeth Switzer to the health and welfare of others."
Do.	Davis Memorial Goodwill Industries Citation for 1961.	Davis Memorial Goodwill Industries	"In recognition of her distinguished public service and aid to the handicapped."
Do.	Citation for Meritorious Service	The President's Committee on Employment of the Physically Handicapped.	"In appreciation of exceptional contributions in furthering the employment of the physically handicapped."
Do.	Woman of the Year Award	National Ladies Auxiliary Jewish War Veterans, U.S.A.	"A forceful champion of those having physical and mental handicaps to gain the right to live in dignity."
Do.	The Borch Medal	Human Resources Foundation	"The dear friend of all disabled people."
Do.	Citation for Service to the Blind	Associated Blind of California, Inc.	"Commends * * * Miss Mary Switzer * * * on her interest in the problems of the blind and expresses appreciation for her assistance in seeking suitable solutions to these problems."
Phillip A. Klieger, M.D.	People-to-People Citation for Outstanding Contribution to International Good Will Annual award	Committee for the Handicapped	Contribution to the prosthetics collection program for underdeveloped countries.
Phyllis W. Francis		U.S. Committee of the International Society for Rehabilitation of the Disabled.	For outstanding service in the field of international rehabilitation.
E. B. Porter	Distinguished Professional Services Award.	National Rehabilitation Association	In recognition of his teaching contributions and professional writings in the field of rehabilitation.

NATIONAL INSTITUTES OF HEALTH, PHS

- Bayley, Nancy, National Institute of Mental Health.
- Bell, J. Frederick (now retired), National Institute of Allergy and Infectious Diseases.
- Bonting, Sjoerd L., National Institute of Neurological Diseases and Blindness.
- Coatney, Robert, National Institute of Allergy and Infectious Diseases.
- Daft, Floyd S., Director, National Institute of Arthritis and Metabolic Diseases.
- Dunn, Thelma B., National Cancer Institute.
- Dyer, Helen M., National Cancer Institute.
- Elkes, Joel, National Institute of Mental Health.
- Eyestone, Willard H., National Heart Institute.
- Felix, Robert H., Director, National Institute of Mental Health.
- Field, James B., and Paston, Ira, National Institute of Arthritis and Metabolic Diseases.
- Freyhan, Fritz, National Institute of Mental Health.
- Hamp, Edward G., National Institute of Dental Research.
- Hayward, Oliver S., National Cancer Institute.
- Hirano, Asao, visiting scientists, National Institute of Neurological Diseases and Blindness.
- Jones, Edith, Clinical Center-----
- Kennedy, Thomas J., Jr., Office of the Director.
- Kreshover, Seymour, National Institute of Dental Research.
- Masur, Jack, Director, Clinical Center--
- McLaughlin, Edward D., National Cancer Institute.
- Mitchell, Jere H., National Heart Institute.
- Sarnoff, Stanley J., National Heart Institute.
- Schwarz, Klaus, National Institute of Allergy and Metabolic Diseases.
- Shannon, James A., Director, National Institutes of Health.
- President, Society for Research in Child Development.
- John Simon Guggenheim Memorial Foundation Fellowship.
- \$500 and first "Fight for Sight" citation from Association for Research and Ophthalmology.
- President, American Society of Tropical Medicine and Hygiene.
- American Rheumatism Association plaque "in recognition of his constant devotion to and effective support of a national program of research, training, and education in arthritis. * * *"
- President, American Association for Cancer Research, Inc.
- American Chemical Society Garvan Medal and \$1,000.
- President, American College of Neuropsychopharmacology.
- President, American College of Veterinary Pathologists.
- Rockefeller Public Service Award.
- Van Meter Prize, \$300, of the American Goiter Association.
- Rudolf Virchow Society Annual Award in New York.
- Georgetown University School of Dentistry 1961 Award of Merit.
- Pray-Burnham Award, \$100, from the New Hampshire Medical Society for the best scientific essay submitted in 1960.
- \$250 and certificate for outstanding paper presented at annual meeting of the American Association of Neuropathologists.
- President-elect of the American Dietetic Association.
- Medal, scroll, and lifetime membership by Association of Military Surgeons of United States.
- President-elect, International Association for Dental Research.
- President, American Hospital Association.
- First prize, \$500, in Scientific Forum of the Student American Medical Association.
- American College of Cardiology's young investigator award of \$1,000 and silver medal.
- \$500, 1961 Malcolm Rogers Memorial Award.
- 1961 Borden Award, \$1,000 and gold medal.
- The Mendel Medal Award by Villanova University.

- Sjoerdsma, Albert, National Heart Institute. Gold medallion, medical achievement award by the Golden Slipper Square Club at its 1961 "Salute to Medicine" dinner. (In recognition of clinical and experimental studies of the metabolism of vasoactive amines.)
- Williams, George Z., Clinical Center---- Ward Burdick Award of the Society of American Clinical Pathologists.

BUREAU OF STATE SERVICES, P.S.

- Adams, Appolonia, Division of Nursing-- 1. Appointed to membership on Committee on Careers of the National League for Nursing.
2. Appointed to chairmanship of Committee on Careers of the D.C. League for Nursing.
- Arnstein, Margaret G., Division of Nursing. Elected as chairman of Public Health Nursing Section of American Public Health Association.
- Black, Hayse H., Sanitary Engineering Center. Arthur Sidney Bedell Award—a certificate granted for outstanding personal service in the sewage works field as related particularly to the problems and activities of the Federal Sewage Research Association—awarded by Water Pollution Control Federation.
- Conrath, Cecilia, Division of Chronic Diseases. 1. Elected secretary-elect of Health Education Section of American Public Health Association.
2. Appointed to membership on Monogram Committee of Society of Public Health Educators.
- Crocker, George L., Division of Radiological Health. 1. Certificate of appreciation for clinical study awarded by the Massachusetts Dental Society.
2. Certificate of award for many contributions to progress of dentistry in Arkansas and for cooperation in the success of * * * convention awarded by Arkansas State Dental Society.
3. Certificate of award in appreciation of role as major essayist and participant in the 55th annual session of the society awarded by West Virginia Dental Society.
- Gilbertson, Wesley E., Division of Environmental Engineering and Food Protection. Elected for third consecutive year as the national chairman of Function Section for Engineers in Government Practice, National Society of Professional Engineers.
- Jaffe, Theodore, Sanitary Engineering Center. Certificate from the Alabama Society of Engineers for outstanding service as vice president.
- Kusnetz, Howard; Saltzman, Bernard; and LaNier, Marshall, Division of Occupational Health. Citation from Michigan Industrial Hygiene Association for outstanding work in industrial hygiene—specifically their report on the calibration and evaluation of gas detecting tubes.

- Ludzack, Ferdinand J., Sanitary Engineering Center.
- Rausch, Robert, Arctic Health Research Center.
- Reese, Dorothy, Division of Nursing.
- Robbins, Lewis C., Division of Chronic Diseases.
- Ryder, Claire F., Division of Chronic Diseases.
- Verhulst, Henry Lou, Division of Accident Prevention.
- Vreeland, Ellwynne, Division of Nursing.
- Walton, Graham, Sanitary Engineering Center.
- White, Mel, Division of Accident Prevention.
- William D. Hatfield award—a certificate for outstanding work's operations presented by the Water Pollution Control Federation.
- The Henry Baldwin award (medal and \$1,000) for continuing eminent research in parasitology awarded by American Society of Parasitologists. Appointed to Public Health Advisory Council of the District of Columbia Government.
- Elected secretary-treasurer of Public Health Cancer Association.
1. Honorary doctor of medical science degree from the Women's Medical College of Pennsylvania.
 2. Elected as honorary alumna of the Women's Medical College of Pennsylvania.
- Reelected to the Executive Committee of the American Association of Poison Control Centers.
1. Citation and medal in recognition of outstanding achievements in field of nursing awarded by Alumni Association of 150th Anniversary Convocation of the Massachusetts General Hospital.
 2. Elected to membership of board of directors of District of Columbia League for Nursing.
- Wendell R. La Due Honor Award—a certificate for 20 years of continuous active membership in the American Water Works Association presented by the Ohio Section of the American Water Works Association.
- Elected to the assembly which is the governing body of the Public Relations Society of America.

BUREAU OF MEDICAL SERVICES, PHS

- Archambault, George F., Chief, Pharmacy Branch, Division of Hospitals.
- Justice, Michael, U.S. Public Health Service Hospital, Staten Island, N.Y.
- Leininger, R. D., chief, printing industry, U.S. Public Health Service Hospital, Lexington, Ky.
- Sturges, Joseph D., U.S. Public Health Service Hospital, Staten Island, N.Y.
1. Received an honorary doctor of laws degree from Temple University.
 2. Voted president-elect of the American Pharmaceutical Association.
- Won the fellowship prize of the 1961 urological essay contest sponsored by the New York Academy of Medicine, urological section, and the New York section of the American Urological Association.
- Selected to represent Kentucky at the 1961 meeting of the International Organization of Credit Unions held in Montreal, Canada.
- Elected president of the Federal Procurement Officers Association of Greater New York.

Trautman, J. A., medical officer in charge, U.S. Public Health Service Hospital, Fort Worth, Tex.

U.S. Public Health Service Hospital, New Orleans, La.

Yonamine, Lillian, dental assistant, U.S. Public Health Service Outpatient Clinic, Honolulu, Hawaii.

Shaw, James R., Chief, Division of Indian Health.

Honored by the Fort Worth Chamber of Commerce with a resolution expressing appreciation for dedicated service rendered the city.

Tulane University devoted the May 1961 Bulletin of the Tulane University medical faculty to the joint working relationship between the hospital and the University Medical School in research activities.

Elected president of the Honolulu County Dental Assistants Association.

Gorgas Award from Wyeth Laboratory—\$500.

NATIONAL CENTER FOR HEALTH STATISTICS, PHS

Moriyama, Iwao M., supervisory statistician.

Elected a fellow of the American Statistical Association.

NATIONAL LIBRARY OF MEDICINE, PHS

Rogers, Frank B., Director-----

Marcia C. Noyes Award of the Medical Library Association for outstanding achievement in medical librarianship.

OFFICE OF THE SURGEON GENERAL, PHS

Leone, Lucile Petry, Chief Nurse Officer-

1. Reelected president, National League for Nursing, 2-year term 1961-63.

2. Reappointed to Expert Advisory Panel on Nursing, WHO, 5-year term June 1, 1961, to May 30, 1966.

Terry, Luther L., Surgeon General-----

1. Honorary degree of doctor of science, Birmingham-Southern College.

2. Elected to membership in Omicron Delta Kappa, national honorary leadership society that recognizes outstanding leadership and service among students, alumni, and faculty, Tulane University.

Watt, James, Chief, Division of International Health.

1. Bronfman Prize for public health achievement, given by the American Public Health Association (scroll, commemorative symbol, and \$5,000).

2. Award of merit, given by the American Heart Association.

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

SPECIAL AWARDS TO BUREAU PERSONNEL FROM NON-GOVERNMENT SOURCES DURING CALENDAR YEAR 1961

Robert M. Ball, Deputy Director of the Bureau of Old-Age and Survivors Insurance received the Rockefeller Public Service Award, "For distinguished service to the Nation in the field of administration." The award carried a cash gift of \$3,500 and the privilege to draw on additional grants to lecture, write, or conduct a research program at a university of his choice or to engage in some other educational endeavor.

THE GALLAUDET COLLEGE FACULTY

Leonard M. Elstad : Elected president of Schoolman's Federal Club.

George Detmold :

Elected president of the Board of Directors of dsh Publications, Inc.

Appointed as a member of the National Advisory Committee on Training Teachers of the Deaf under Public Law 87-276.

Jerome Schein : Elected editor of dsh Abstracts.

Harry Bornstein : Elected chairman of the planning committee for the D.C. Chapter of the American Psychological Association.

Wallace Brandon : Elected vice president, D.C. Chapter, American Association of Teachers of German and named to board of examiners annual German contest of AATG.

Kurt Beerman : Awarded a grant by the American Philosophical Society, Philadelphia, for the collection of materials on the Reception of the French Revolution by the New York press.

William Stokoe : Awarded a grant from the American Council of Learned Society for study abroad.

Thomas Berg : Named small college track coach of the year and given the Rockne award.

Peter Wisher :

Elected president of the Mason-Dixon Intercollegiate Athletic Conference.

Recognized as a distinguished fellow of the American Association of Health, Physical Education, and Recreation.

Rosalyn Gardner : Elected secretary of the French prerevolution section of the South Atlantic Modern Language Association.

Doris Francis : Elected chairman of the Portuguese-Brazilian section and secretary of the modern Spanish section of the South Atlantic Modern Languages Association.

Georgie Holden : Appointed publicity chairman, American College Public Relations Association, Mason-Dixon District Meeting.

HOWARD UNIVERSITY EMPLOYEES

1. James M. Nabrit, Jr., president of the university: Honorary degree of doctor of laws from Lincoln University, Pennsylvania. John Russwurm Award of the National Newspaper Publishers Association for long-time, behind-the-scenes support and guidance in a series of legal encounters on the civil rights front.
2. Patricia R. Harris, associate dean of students: Citation from Women's Auxiliary, Freedmen's Hospital for outstanding community service.
3. Ernest E. Goodman, director of information services: Outstanding Newsmen of the year award of the Capital Press Club. Third place citation of of the American Alumni Council for excellence of articles on the institution (Howard University) in the Howard University magazine.
4. Ellis O. Knox, professor of education: Citation from U.S. Commission on Civil Rights for meritorious contribution to U.S. Commission on Civil Rights.
5. William Leo Hansberry, associate professor of history, emeritus: Honorary degree of doctor of letters from University of Nigeria.
6. Camille L. Nickerson, professor of piano: Citation from B-Shrap Music Club of New Orleans for distinguished contribution to music culture.
7. Darnley E. Howard, professor of mechanical engineering: Citation for public service from alumni association of Brooklyn Polytechnic Institute for outstanding service to his community.
8. Alessandra L. del Russo, professor of law: Citation from U.S. Commission on Civil Rights for meritorious contribution to U.S. Commission on Civil rights.
9. Spottswood W. Robinson, dean of the school of law: Citation from Richmond Chapter, Old Dominion Bar Association for outstanding achievement in the field of law.
10. Ethel J. Williams, assistant professor of social work: Citation from women's auxiliary, Freedmen's Hospital for outstanding community service.

11. W. Montague Cobb, professor and head of department of anatomy: Citation for achievement in medicine. Engraved silver tray presented by the District of Columbia Chapter of the Howard University Alumni Association at its 25th anniversary banquet.
Scroll from the District of Columbia government for meritorious public service. In recognition of outstanding interest, public spirited service, and untiring devotion to the welfare of the community and to the government of the District of Columbia while serving as a member of the Public Health Advisory Council.
12. Roland B. Scott, professor and head of department of pediatrics: Plaque presented by the Volunteers in Aid of Sickle Cell Anemia, Inc., of Philadelphia, Pa., in appreciation for humanitarian interests in sickle cell anemia. This organization is composed of lay and professional groups who are interested in aiding research and disseminating general knowledge about sickle cell anemia.
13. Burke Syphax, professor and head of department of surgery:
Received the annual Alumni Award presented at the New York Division of Howard University Alumni Association.
Received the Student Council Faculty Award. This award was presented by the Student Council of the College of Medicine at Howard University.
14. Harold S. Fleming, research professor, college of dentistry: Citation and certificate given by the Japan Salivary Gland Society.
15. Russell A. Dixon, dean of the college of dentistry:
Plaque from the American College of Dentists in recognition of services and devotion to the advancement of the science and art of dentistry.
Citation and certificate from the Robert T. Freeman Dental Society for exemplary service to dental education.
16. Lewis K. Downing, dean of the school of engineering and architecture: Distinguished Public Service Award from District of Columbia Commissioners in recognition of the valuable contribution of time, talents, and ability to the welfare of the community as a member of the Citizens' Traffic Board.
17. John A. Kenney, associate professor, department of medicine: Elected—President-elect of the National Medical Association.

OFFICE OF FIELD ADMINISTRATION

Special awards from non-Government sources, calendar year 1961

Recipient	Award	Service
Regional director, Dallas.	Award for untiring and wholehearted efforts as general chairman in the Dallas County United Fund Campaign.	Board of directors, Dallas County United Fund.
	Special award for active leadership of the 1961-62 fund campaign in Dallas.	Texas United Fund.
	Distinguished Service Award for exceptional public service in America's fight against disease and disability.	Federal Service Campaign for National Health Agencies.
	Annual award for individual making outstanding contribution to the health of the community.	Dallas Hospital Council.
Regional director, San Francisco.	Annual award for 1 of 10 outstanding Federal employees.	National Civil Service League Career Service Award.

FOOD AND DRUG ADMINISTRATION

WITNESSES

GEORGE P. LARRICK, COMMISSIONER OF FOOD AND DRUGS
 JOHN L. HARVEY, DEPUTY COMMISSIONER OF FOOD AND DRUGS
 JAMES B. CARDWELL, FINANCIAL MANAGEMENT OFFICER
 SHELBEY T. GREY, DIRECTOR OF PROGRAM PLANNING AND AP-
 PRAISAL
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	12,364	15,135	18,093
Positions other than permanent.....	88	43	43
Other personnel compensation.....	84	50	50
Total personnel compensation.....	12,536	15,228	18,186
12 Personnel benefits.....	942	1,164	1,390
21 Travel and transportation of persons.....	826	1,035	1,258
Payment to interagency motor pools.....	212	316	424
22 Transportation of things.....	119	128	191
23 Rent, communications, and utilities.....	215	222	1,155
24 Printing and reproduction.....	135	171	211
25 Other services.....	218	398	784
Services of other agencies.....	262	396	60
26 Supplies and materials.....	661	685	1,256
Samples.....	161	191	217
31 Equipment.....	1,676	908	2,500
32 Lands and structures.....	788	795	768
Total obligations.....	18,751	21,637	28,400

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	2,112	2,412	3,023
Full-time equivalent of other positions.....	10	10	10
Average number of all employees.....	1,868	2,224	2,671
Number of employees at end of year.....	2,080	2,462	3,073
Average GS grade.....	7.8	8.2	8.3
Average GS salary.....	\$6,639	\$6,770	\$6,778

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Field inspections, investigations, and laboratory analyses.....	11,321	13,362	17,395
2. Research and methodology.....	3,152	3,884	4,964
3. Compliance, consultation and education.....	910	1,179	1,732
4. Medical evaluation.....	891	1,168	1,456
5. Executive direction.....	1,604	2,044	2,733
6. Civil defense activities.....			120
Total program costs.....	17,878	21,637	28,400
Change in selected resources ¹	873		
Total obligations.....	18,751	21,637	28,400
Financing: Unobligated balance lapsing.....	97	1,146	
New obligational authority.....	18,848	22,783	28,400
New obligational authority:			
Appropriation.....	18,848	23,000	28,400
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353).....		-217	
Appropriation (adjusted).....	18,848	22,783	28,400

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$1,312,000 (1961 adjustments, -\$55,000); 1961, \$2,130,000; 1962, \$2,130,000; 1963, \$2,130,000.

SALARIES AND EXPENSES, CERTIFICATION, INSPECTION, AND OTHER SERVICES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	954	1,122	1,186
Positions other than permanent.....	11	11	11
Other personnel compensation.....	23	19	19
Total personnel compensation.....	988	1,152	1,216
12 Personnel benefits.....	72	85	97
21 Travel and transportation of persons.....	15	33	39
22 Transportation of things.....	1	12	1
23 Rent, communications, and utilities.....	98	96	118
24 Printing and reproduction.....	8	12	15
25 Other services.....	13	43	34
Services of other agencies.....	35	35	35
26 Supplies and materials.....	105	148	190
31 Equipment.....	45	154	117
32 Lands and structures.....			520
44 Refunds.....	9	20	20
Total obligations.....	1,389	1,790	2,402

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	162	186	193
Full-time equivalent of other positions.....	3	4	4
Average number of all employees.....	148	172	180
Number of employees at end of year.....	154	186	193
Average GS grade.....	8.1	8.1	8.2
Average GS salary.....	\$6,998	\$6,921	\$6,922
Average salary of ungraded positions.....	\$4,081	\$4,095	\$4,095

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Certification services.....	1,318	1,602	2,170
2. Pesticide and color additive tolerances and listings.....	92	168	212
3. Refunds.....	8	20	20
Total program costs.....	1,418	1,790	2,402
Change in selected resources ¹	-29		
Total obligations.....	1,389	1,790	2,402
Financing:			
Unobligated balance brought forward.....	-892	-1,017	-1,017
Recovery of prior year obligations.....	-8		
Unobligated balance carried forward.....	1,017	1,017	497
New obligational authority (appropriation).....	1,506	1,790	1,882

¹ Selected resources as of June 30 are as follows: Unpaid, undelivered orders, 1960, \$75,000 (1961 adjustments, -\$8,000); 1961, \$38,000; 1962, \$38,000; 1963, \$38,000.

CONSTRUCTION, PHARMACOLOGICAL-ANIMAL LABORATORY BUILDING

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
21 Travel and transportation of persons.....			1
24 Printing and reproduction.....			5
25 Other services.....	74		
Services of other agencies.....	9	50	60
32 Lands and structures.....		1,600	34
Total obligations.....	83	1,650	100

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Plans and specifications.....	9	124	66
2. Construction.....			1,634
Total program costs.....	9	124	1,700
Change in selected resources ¹	74	1,526	-1,600
Total obligations.....	83	1,650	100
Financing:			
Unobligated balance brought forward.....		100	-100
Unobligated balance carried forward.....			
Unobligated balance lapsing.....	17		
New obligational authority (appropriation).....	100	1,750	

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$0; 1961, \$74,000; 1962, \$1,600,000; 1963, \$0.

Mr. FOGARTY. The committee will come to order.

We have before us this afternoon the Food and Drug Administration.

GENERAL STATEMENT

Mr. Larrick, you may give your statement to the committee.

Mr. LARRICK. Mr. Chairman, I have a statement which I would like to file with the committee, and read a brief summary.

(The complete statement follows:)

STATEMENT BY COMMISSIONER OF FOOD AND DRUGS ON SALARIES AND EXPENSES

I. INTRODUCTION

Mr. Chairman and members of the committee, we are here today to present to you the Food and Drug Administration's appropriation request for fiscal year 1963. This budget will go far in enabling the Food and Drug Administration to provide a greater degree of protection for the American consumer.

One of the good facts of life we all live with is that the wealth and technical abilities of this Nation continue to increase. Among other things this means that more and better foods are being offered the consumer, greater varieties of potent drugs are being developed to protect the health and prolong the life of man, many different kinds of medical devices are presented to aid health, and more and different cosmetics are being produced. For the Food and Drug Administration and for the consumer some of the sad facts of life are that our great wealth and increasing technical abilities do not automatically guarantee that our food is always clean, safe, and wholesome; that our drugs are always safe for use; that our medical devices always do what is claimed for them; and that our cosmetics can always be used without danger of injury.

The consumer does not have the scientific knowledge, nor the laboratory facilities, nor the time to inspect the sources of the foods, drugs, medical devices, cosmetics, and household chemical aids that he uses, or to test these many thousands of products to be certain they are safe, clean, and wholesome for his use. Under mandates of the Congress in the Food, Drug, and Cosmetic Act and related laws, the Food and Drug Administration has been given the job of performing the vital protective services that the consumer cannot provide for himself. The personnel of the Food and Drug Administration from the scientists, to the management personnel, the inspectors in the field, and the stenographers at their typewriters, all work under the same mandates of the Congress. These mandates direct us to inspect, sample, test, and where necessary, invoke seizures and legal prosecution to safeguard the Nation's supply of foods, drugs, devices, cosmetics, and certain hazardous household products. The offices, laboratories, equipment, and other resources of the Food and Drug Administration are all utilized in the continuing and expanding work of protecting the consumer and the many legitimate food, drug, and cosmetic industries.

II. PROGRESS REPORT

Mr. Chairman, approximately a year ago we last appeared before you and your distinguished committee. At that time we pointed out certain gaps persisting in some general areas which should be filled if the Food and Drug Administration is to meet successfully and adequately the challenges facing American consumers in this decade of the sixties and in the future. At this point, may I take but a few moments to review some of the progress we have made since our last appearance before this committee.

Staff

A year ago we presented for your consideration long-range program goals which we consider essential to attain if FDA is to step forward in this decade and perform its mission adequately. Among others, these goals are:

1. To increase the frequency of FDA inspections;
2. To improve our scientific competence;
3. To provide greater resources permitting us to combat quackery and economic cheats more effectively;
4. To provide greater resources permitting us to give more attention to the regulation of drugs and drug products;
5. To improve our educational and informational programs for industry and consumers; and
6. To promote more effective Federal-State cooperation and assistance.

In the past year progress was made toward achieving these goals. To begin with, the Food and Drug Administration has available over 200 new positions in fiscal year 1962. These positions are being assigned to those areas most needing additional strength. For example, our new inspectors, when fully trained, will contribute to improving the frequency of inspections. We expect that by 1963 the frequency of inspections will have been reduced to once every 2.9 years, that is, those plants, warehouses, and other establishments falling under our jurisdiction will be inspected on the average of once every 2.9 years. Although this is an improvement of our inspectional cycle, it is still far from our desired objective of inspecting most establishments at least once a year.

It must be stressed that this figure is computed by dividing the total number of establishments we inspect each year into our best estimate of the total number of establishments falling under the laws we administer. The 1963 budget provides manpower for FDA to undertake a precise inventory of these establishments. We have never had the resources to do this. Yet, for effective enforcement of the law and for realistic program planning, such a complete inventory is essential. This census of our workload should be completed in 1964. It is likely that this more precise count will differ from our current estimates, so that the frequency of our inspection cycle will probably change either up or down.

In addition to improving the inspectional cycle, the new 1962 positions will also permit us to take steps in better dealing with pesticide and drug problems, and with quackery and economic cheats, although these areas are still a long way from truly adequate enforcement. In 1962 additional funds were also provided for our training program which is a vital segment of our overall efforts to provide a staff experienced and capable of dealing with the ever-increasing complexity of our problems. The 1963 budget would further improve these efforts. In addition to furthering the training of FDA employees, the 1963 budget includes funds and staff (2 positions) to assist in the training of State food and drug employees.

In line with our attempts to fill some of the staffing gaps pointed out a year ago, Mr. Chairman, it is noteworthy that during the past year the Food and Drug Administration has been undertaking a very serious look at its own organization. During that time one of our Bureaus, the Bureau of Enforcement, was reorganized in a manner we believe will increase the Bureau's efficiency and permit it to cope more effectively with the increasing volume of complex regulatory actions which technical developments, as well as FDA's additional resources, are now generating. Likewise, we are conducting other studies to make the agency more effective.

Facilities

Another gap we pointed out last year relates to facilities. Mr. Chairman, you and your committee are aware of the unfortunate housing conditions and inadequate equipment with which we have tried to operate here in Washington and in our field districts.

The Washington offices and laboratories of FDA have been scattered and moved about through various permanent and temporary buildings. At present FDA occupies space in five different buildings in Washington. Much of this space was originally planned for temporary offices and cannot be used or modified to meet the agency's specialized needs for laboratories and special facilities for test animals. Another problem that arises from the scattering of the Washington laboratories and offices is that of communications and coordination among organizational segments of the agency.

As you know, a significant step toward solution of this problem was made in December 1960, when a contract was awarded by the General Services Administration to construct Federal Office Building No. 8, a building to serve exclusively as a laboratory and office headquarters building for FDA. Actual construction of the building began on January 17, 1961, and has progressed to several floor levels. It is expected that construction will be completed in March 1963, followed by installation of equipment and final finishing phases so that the building may be occupied in the late fall of 1963. The 1963 budget includes \$200,000 to finance FDA's share of equipping the building. The move of many of our now separated organizational segments into this new building will be a long step toward better coordination and greater efficiency.

Funds were also made available for the current fiscal year to construct a special pharmacological animal laboratory building at Beltsville, Md. This facility should be completed by summer 1963 and will permit FDA, for the first

time, to conduct toxicity tests that require the use of dogs in an environment especially designed for maximum scientific efficiency and humane animal care. The tests performed in the new facility are basic to determine the toxicity of food and color additives and other ingredients and substances in foods, drugs, and cosmetics. This fundamental work is now being conducted in crowded and antiquated facilities in Washington; the new laboratory will alleviate these handicaps and add greatly to the efficient performance of necessary toxicity tests. The 1963 budget contains a request for additional personnel to staff this new facility. Although the laboratory might not be ready for full operations in 1963, the new staff will be trained during that year to avoid any delays in making full use of the facility the moment it is completed.

The largest project FDA has been undertaking in the general area of building is the renovation program for the field offices. Beginning with 1958 a phased 6-year plan has been underway to improve the facilities of all 18 of the FDA districts. Under this plan four districts are begun each year and costs are budgeted on a 2-year basis. First-year costs are for the purchase and installation of fixed equipment, and second year costs provide administrative and portable scientific equipment needed to bring each district up to full operational efficiency. In all cases, except New York City, it is planned to construct new facilities tailored to our needs. In the case of New York, renovation will be accomplished by moving in existing space controlled by the General Services Administration. This space will be reconditioned to meet FDA requirements. The Food and Drug Administration pays the first year rental costs; and, the General Services Administration pays all rental and maintenance costs thereafter.

At this time there remain four districts (Philadelphia, San Francisco, St. Louis, and Denver) where no renovation has been started; and five, (Baltimore, Chicago, New Orleans, Seattle, and New York) where the renovation program is currently in its first-year stage. The 1963 proposal is to begin renovation of the four districts where work has not yet been started and to complete the renovation of Baltimore, Chicago, New Orleans, and Seattle. A total of \$1,520,000 is requested in 1963 to accomplish this. The current expansion of FDA and plans for future expansion indicate that FDA's field space needs will require reappraisal in 1964.

Closely related to the district renovation program is the equipment modernization and replacement program. The Citizens Advisory Committee of 1955 stressed in its report the need for a complete reappraisal of FDA's equipment needs. Since fiscal year 1957, the first year in which we began to implement the recommendations of the Citizens Advisory Committee through our budget, we have come to you with requests for funds to replace all the obsolete equipment in our inventory and, in addition, to buy scientific equipment which has been designed since the time of the Citizens Advisory Committee. Considerable progress has been made to date. One of the obvious benefits of this equipment program has been to provide our scientific personnel in Washington and in the field with modern equipment needed for the rapid and efficient analysis of samples of foods, drugs, and cosmetics. Another benefit has been to provide equipment for the development of new methodology to detect and identify substances in the products which we regulate. Other equally important benefits derived from equipment replacement and modernization have been a general improvement of morale, the facilitating of recruitment, and the ability to improve our technical stature in the eyes of the general public, the scientific community, and the regulated industries. The 1963 budget includes funds (\$190,000) for the continuation of this equipment replacement and modernization program.

III. CHANGING TIMES

Mr. Chairman, although the progress just described has been made, it must be evaluated in terms of our fast-moving, rapidly changing times. The Food and Drug Administration is affected by the many factors making up our dynamic age. Every man, woman, and child in the United States requires the protection which the Food and Drug Administration provides, and this population is growing at the rate of nearly 4 million a year. In effect, this means that each year nearly 5 times the population of Rhode Island or the equivalent of the population of Wisconsin is added to the Nation's population and, therefore, to the responsibilities of the Food and Drug Administration.

Since we are responsible for the protection of the population, its total resources and the size of each consumer's pocketbook have an effect on our workload

and our mission. It is estimated that in 1962 the gross national product of this Nation will approach \$565 billion. This compares with \$285 billion in 1950. By 1970, the Department of Labor predicts that the gross national product will be \$750 billion. Between 1951 and 1960, the decade of the fifties, American consumer expenditures went from \$210 billion to \$329 billion for an increase of about 57 percent. Since 1951, expenditures for foods increased almost 30 percent; expenditures for drugs rose by nearly 160 percent; and spending for cosmetics increased about 100 percent. Out of every dollar spent by the consumer today about 30 cents purchase products falling under the jurisdiction of FDA. It may be assumed that during the decade of the sixties, expenditures for foods, drugs, cosmetics, and household chemical aids will increase at the same rate as was experienced in the decade of the fifties.

All this gives a general picture of these changing times. Now let us look in greater depth at the broad programs of the Food and Drug Administration and see what changes have taken place there. Only in this way can we give a measurement of the resources, both men and materials, needed to meet our responsibilities.

Foods

One of the basic responsibilities of FDA is to insure for the consumer that his food is safe, pure, wholesome, and properly labeled. There is no doubt in our minds that the American consumer has at his disposal not only the largest variety of foods in the world, but also, most probably, the safest and most wholesome. Yet, there is also no doubt that the American consumer of foods each day—as a result of technological changes and other developments—faces a variety of problems which he cannot solve alone.

1. *Pesticides*.—One of these is related to the danger that the consumer, in buying fresh fruits and vegetables, will take back to his kitchen toxic residues from agricultural poisons used by farmers in their struggle against insects, weeds, mildew, and many other pests and conditions. The farmer in America today has over 45,000 chemical formulations he can choose from in waging his war. These valuable agricultural chemicals have helped him produce more crops more efficiently, but some of these compounds are so toxic that an undiluted drop of the substance on the skin can cause death. Hence, there is the danger that these substances will remain in harmful amounts on foods bought by the consumer.

Here, the responsibilities of FDA are to set limits or tolerances for the amounts of such poisons that can remain on raw agricultural products without endangering the health of consumers. FDA then must enforce these tolerances through a program of sampling and analyzing interstate shipments of crops. The size of this responsibility can be gaged from the estimate that there are 2½ million such shipments each year. In order to appraise the problem, FDA should sample at least 1 percent, or 25,000 of these shipments. We can now sample approximately 8,500 interstate shipments of food crops that have been treated with agricultural chemicals, which is one-third of 1 percent of the total shipments. If the 1963 budget is approved, substantial strides could be made by FDA in this important area, so that by 1964 we could approach the desired 1-percent sampling of interstate shipments and evaluate more precisely the extent of this problem.

2. *Food additives*.—Another of today's problems, which the American consumer must face but which he cannot solve on his own, is that related to the use of chemical additives by manufacturers and processors of the Nation's food supply. There are an estimated 2,200 chemicals used in foods and food packaging today and approximately 6,500 manufacturers who produce them. In turn, these chemicals are used by approximately 73,000 manufacturers, processors, and packers of foods. Many of these chemicals are toxic.

The Food Additives Amendment of 1958 requires that FDA evaluate all evidence of safety, including tolerances, submitted by industries seeking approval for the use of food additives. It requires that FDA take final responsibility for approving a particular additive in terms of each and every individual product in which the additive might be used. Once a tolerance has been established, FDA then has the additional responsibility of enforcing it to assure that no product contains more than the prescribed safe amount. This job is performed by inspections and by laboratory analyses of samples.

Since the food additives amendment became operative, FDA has received about 700 industry petitions for tolerances on given food additives. Of these, 350 were received in the past fiscal year alone. In the meantime, the Food and Drug

Administration has been undertaking research to learn more about given additives and to develop methods to detect and identify them in various foods.

To appreciate the potential dangers of food additives, we need only be reminded of a relatively recent tragedy in the Netherlands where about 100,000 consumers were made ill, in many cases seriously ill, as a result of an additive used in shortening produced by a well-established manufacturer. This case points up one of the fundamental objectives of the food additives amendment; namely, to protect consumers not merely against the unscrupulous who might adulterate foods with cheap and harmful additives in order to pull the wool over the public's eyes, but even more so, to protect consumers against accidents or mistakes which might befall the most responsible manufacturer when dealing with such potentially harmful—yet beneficial—substances.

3. *Special dietary foods.*—Another broad responsibility of FDA is to protect consumers against false claims advanced for foods, drugs, and cosmetics. In the area of foods, false claims are most often made for special dietary preparations. It is paradoxical that as more becomes known about foods, the field for nutritional quackery becomes wider. The average American who eats a well-balanced diet receives all the nutrients he requires to maintain the energy he needs to do his job and to maintain general good health. However, food faddists and promoters of food supplements and special diets misuse nutritional science to bolster their claims that there are various vital substances lacking in the modern diet and that their particular supplement or product is necessary to supply this lack. Or the phony nutritional expert may claim that his product can cure or prevent a host of ills that afflict man, from corns to cancer.

A number of nutrients are being promoted today. The body's use of vitamins, minerals, unsaturated fats, and other nutrients is highly complicated, and for FDA to protect the consumer from false or misleading claims about these supplements it must determine their usefulness in single foods and in the total diet. Current trends in supplement foods and advertising justify increased study of this problem. It is estimated that nutritional quackery of all types costs American consumers over \$500 million annually, or 22 times what they are spending in 1962 for all the operations of the Food and Drug Administration. The 1963 budget contains a request for a modest increase in scientific staff to pursue research on dietary foods.

4. *Food standards.*—Quite generally, food standards describe and define what a particular processed food is and what it is not. They prescribe the proportionate amounts of expensive and cheap ingredients a product will contain, the quality of the ingredients making up a product, and the amount of the product in a particular container. Food standards help assure the consumer that his food dollar is well spent. They are fundamental for truthful and revealing labeling and provide a basis upon which actions might be taken to correct many types of misbranding and various economic cheats.

When a consumer buys a can or package of food, he usually does not see the product inside. He does not know for sure if the product might be watered, inferior in quality, or adulterated in some other manner until he opens the can or package. Even a clear container does not insure the quality of the contents. Food standards, therefore, are important to the consumer's pocketbook, and for the protection of legitimate food industries in competing with those who might want to cut corners. The 1963 budget would provide a considerable increase of manpower to work on the establishment and enforcement of food standards. In fact, this will be the first significant step forward that we have been able to make in this important area for a number of years.

5. *Convenience foods.*—One gage of the changes of our times is the tremendous production and technological advances in the processing, packaging and distribution of convenience foods. These most helpful items in the American diet include dehydrated vegetables requiring only the addition of water for preparation and complete frozen meals in one package. Convenience foods also include whipped cream and toppings that are produced at the flick of a button, instant soups, coffee, and fruit juices, ready-to-bake and ready-to-cook products of all types, and even instant foods for the family pet. These developments in the food industries have brought to American kitchens foods and food preparations which previously were either nonexistent in certain parts of the country because of transportation problems, or which demanded long hours of hard work to prepare.

Yet, as with all such developments, they have brought with them problems which the consumer has to face. In the area of frozen foods, for example, we

have the problem of possible bacterial contamination. Since many of these foods require only to be warmed or heated once they arrive in the kitchen, the presence of bacteria during their manufacture and distribution can be a serious source of contamination carried right into the home. Unless frozen foods are manufactured, transported and stored with great care, they may become contaminated and therefore harmful to consumers. In the case of dehydrated foods, for example, it is important that the additives used to preserve these foods and to maintain dryness are safe and that the labeled contents and claims for the final prepared products are accurate. The convenience-food industries have grown from practically nothing prior to World War II to become a major portion of the total food industry today. The 1963 budget recognizes this and would provide a measure of additional resources to work on convenience-food problems.

Drugs

Besides foods, Mr. Chairman, there are also many changes occurring in the area of drugs. Here, again, we must ask how large is this responsibility? We do know that about \$4.5 billion are being spent annually by consumers for drugs. Almost half of this is being spent for prescription drugs. We also know that there are approximately 12,000 establishments manufacturing and distributing drugs. The drug industry is currently spending many millions annually for research and new product development. Rapid advances in medical and pharmaceutical research have resulted in the development of new drugs on the average of one a day, sales of ethical drugs have increased by over 300 percent since 1947, and today's prescription drugs become obsolete twice as fast as they did 10 years ago. The great growth of the drug industry and the vast amount of resources put toward drug research have meant startling discoveries of compounds that preserve health, cure disease, and prolong life, but this growth has also meant that the size of the workload for FDA in this area of responsibility has multiplied.

FDA preclears new drugs, as well as modifications of drugs that have already been approved, before they can be marketed. In fiscal year 1961 FDA received 463 new drug applications and 2,668 applications for modifications of drugs already cleared. FDA is responsible for surveillance of prescription drugs to help prohibit their illegal sale. The agency also reviews labels, including literature about drugs furnished directly to physicians, for accuracy and honesty. It is estimated that the general practitioner received 4,000 pieces of such literature last year.

We inspect drug manufacturing and distributing establishments and collect drug samples to assure that, in accordance with commitments made in new drug applications approved by FDA and in accordance with the law in general, drugs are safe, potent, and properly labeled. The Food and Drug Administration inspects manufacturers and distributors of drugs, on the average, about once every 3 years.

A continuing problem that could be lessened through increased inspectional coverage is that of counterfeit drugs. These counterfeits are imitations of well-known prescription drugs that are in great demand. The danger here is that these fakes are not manufactured under the control procedures necessary to assure that they contain the kind or amount of the drug supposed to be present, and they are often mislabeled. Because these counterfeits are often copies of new and potent medications, the lack of controls and safety clearances in their manufacture, and the lack of proper labels—basic violations of the law—make them particularly hazardous to a person in ill health who may depend on a specific dosage and potency of a particular drug to recover. There is no assurance in a counterfeit drug that the false capsule or tablet is as represented.

Another problem area in the field of drugs is that of illegal sale of amphetamines and barbiturates. These drugs are highly useful and effective when used under proper medical supervision. However, the drugs produce some effects that have made them attractive for promiscuous, illegal use so that bootlegging amphetamines and barbiturates has become a serious problem. Amphetamines, so-called pep pills, are central nervous system stimulants; barbiturates are depressants and have just the opposite effects.

About 63,000 pounds of amphetamines are produced annually—enough to make about 5 billion 5-milligram tablets. About 825,000 pounds of barbiturates are produced annually. This is enough to make nearly 4 billion 1.5-grain capsules or tablets. A sizable amount of this production goes into illegal channels. The

greatest illegal traffic in amphetamines is their sale at truck stops to drivers who use them to fight drowsiness so that they can drive longer. Amphetamines are also sold to juveniles who use them for "kicks." These misuses of amphetamines are particularly dangerous, because the driver not only impairs his own health, but also jeopardizes the lives of other motorists on the highway, and the juvenile often turns to crime and delinquency.

The misuse of barbiturates can produce intoxication similar to alcoholic intoxication, and their habitual use in large quantities produces the characteristic symptoms of narcotic drug addiction. Deaths from overdoses of barbiturates are all too common and, regrettably, part of the market for these drugs are again young people in their teens.

The illegal sale and subsequent misuse of these drugs is a continuing concern and responsibility of FDA and has far-reaching public implications that include the safety of motorists, the protection of the health of our young people, and the Nation's efforts to combat the evils of drug addiction.

FDA is requesting 126 new positions in 1963 to provide across-the-board strengthening of its drug activities. This will permit a marked emphasis in efforts to protect consumers of drugs. The new staff will be assigned to our field operations and to laboratories and other offices at Washington headquarters.

Cosmetics

Another important area of FDA responsibility where change is the keynote is that of cosmetics. FDA's responsibility in this area can be judged from the fact that the industry is composed of about 2,000 manufacturers and distributors who make sales with a retail value of about \$2 billion annually. The responsibility of FDA to see that cosmetics are harmless is complicated by the dynamic nature of the industry. Similar to fashions in clothing, fashions in cosmetics change quickly. Different colors in cosmetics come in and go out of style rapidly, and great varieties of entirely new cosmetic products appear on the market in response to man's ancient quest for beauty and a means of retaining the look of youth.

There are basically two major problems faced by the consumer of cosmetics. One is the safety of the ingredients used, and the other is the accuracy and veracity of the claims made for the product. Each year we encounter cases of injuries experienced by users of cosmetics, and each year the Food and Drug Administration also runs into cosmetic products being sold under exaggerated or actually false claims. It is natural that most of us want to improve our appearance and retain a certain look of youthfulness. Consumers, therefore, are for the most part, very susceptible to products which claim they will help to achieve this.

Radioactivity

Mr. Chairman, another example of how our changing times effect the Food and Drug Administration is the problem revolving around radioactivity and the possible dangers of the harmful radioactive contamination of the Nation's food supply. This is a problem which has been with us essentially since the first atomic blast in World War II. The program of the Food and Drug Administration began in 1949 when we initiated training of our scientific personnel to prepare them to analyze foods and other materials for radioactivity. In 1961 Congress made available \$1 million and 116 positions for work in this area. This level remains the same today.

In general, the program these personnel have been engaged in consists of (1) surveillance or monitoring of food from selected geographical areas for levels of radioactivity, (2) laboratory research work to develop and improve methods of detecting and measuring radioactive substances in foods, and (3) development of processes to decontaminate foods that have harmful radioactive substances in them. Monitoring facilities have been established in 10 of the 18 FDA districts. These 10 districts are currently equipped to identify strontium 90 and other radioisotopes. Since beginning work in this area, FDA has analyzed 7,000 food samples for radioactivity.

When the system is in full operation, the 10 district monitoring systems will be able to collect and analyze up to 3,900 food samples per year for radioactive contamination.

In addition to its continuing monitoring program in the field, FDA has undertaken research and studies to develop methods of radiological detection, identification, and decontamination. A special organizational unit, the Radioactivity Branch, has been established in Washington within the Bureau of Biological

and Physical Sciences to work on these problems with a staff of 18 scientists, technicians, and supporting personnel.

Along with the possible hazard of harmful radioactive fallout from weapons is the problem presented by greater commercial and industrial uses of atomic energy. The radioactive wastes from these installations or the possibility of accidents at these installations are potential sources of radioactive contamination of foods. This responsibility, Mr. Chairman, is one which had certainly never been contemplated at the time the Food, Drug, and Cosmetic Act of 1938 was enacted. This represents, again, circumstances which will undoubtedly continue to evolve in the future. The radioactivity problem is indeed a problem of our changing times.

As a result of this, the Food and Drug Administration is working continuously to develop a program in this area which will insure that the Nation's food supply is safe from radioactive contamination. We, in collaboration with the Public Health Service, the Atomic Energy Commission, and other agencies of Government, are currently working to add to our knowledge and understanding of this problem by studying information collected through our monitoring of fallout resulting from weapons testing by the Soviet Union. We wish to stress that, based on evidence developed thus far, there is no cause for undue alarm. We are, however, keeping a close watch on developments in this area.

Civil defense

Another problem of our times is that related to civil defense. The civil defense program of the Food and Drug Administration again, after several years, appears in the appropriation request of our agency. For the past several years this program was financed through appropriations that were made to the Office of Civil and Defense Mobilization which then allotted the funds to the separate agencies with delegated civil defense responsibilities. For the fiscal year 1963 the funding of this activity will be carried out through separate appropriations to the agencies themselves. The activity will be continued at the current level.

The civil defense work of the Food and Drug Administration centers around radiological, biological, and chemical warfare agents; the main emphasis has been on training FDA officials, other officials at the Federal, State, and local levels, and industrial officials to help them solve the special problems involving foods and drugs that might arise from enemy use of such agents. The Food and Drug Administration also is concerned with research to help deal with their effects on the Nation's food and drug supply; and FDA is concerned with sound plans to insure safe foods and drugs in the event of a civil defense emergency.

Here again, the Food and Drug Administration is required to perform a duty which is vital to the interests of the Nation, but which is a product of recent years, a requirement imposed upon us by the changes taking place.

Imports

Mr. Chairman, let us point to another area of change, and I might say one of considerable potential change in the relatively near future; namely, imports. Indications now point to an increase of foreign trade.

FDA has the same general tasks of protecting consumers against harmful imported foods, drugs, and cosmetics as it does for domestic foods, drugs, and cosmetics. The total retail value of these imports is estimated at \$6 billion per year. The 34 inspectors that FDA was able to assign to imports in 1961 collected over 14,500 samples and made nearly 7,200 examinations of shipments on wharves. These efforts covered only about 6 percent of the imported products under regulation. Yet, as a result of the comparatively few samples analyzed and the few wharf examinations, over 5,000 import detentions were made, or nearly one out of three of the sample analyses and wharf examinations made uncovered violations of the Food, Drug, and Cosmetic Act. It should be stressed that these analyses and examinations were made on a selective basis largely resulting from suspicions of violations and are not necessarily representative of the overall import picture. However, they do show a vital need for expanded efforts in this area.

As important as FDA's responsibility might be today to protect American consumers of imported foods, drugs, and cosmetics, it is more than likely that the responsibility will increase in the coming years. The 1963 budget provides additional staff for an expansion of FDA's import program.

Federal-State activities

In view of our changing times and the resulting complex problems in consumer protection, it becomes increasingly vital that all governmental agencies—State, local, and Federal—concerned with food and drug activities coordinate their efforts so that these separate programs will supplement and complement each other. As food, drug, and cosmetic technology progresses; it becomes increasingly important that Government agencies conducting research to help them enforce food and drug laws share their findings. Also, cooperation among Federal, State, and local agencies is often essential for the handling of day-to-day violations of food and drug laws. For example, FDA often comes across intrastate violations during its investigations and, likewise, State and local officials often discover cases involving interstate matters during their investigations. Without prompt referral of these cases followed up by close cooperation, such violations might escape attention or otherwise fail to be properly corrected under law.

FDA has, for the most part, received much cooperation from State and local food and drug agencies. In turn, I hope we have been able to reciprocate in like manner. But there is no denying that food and drug activities at all levels could be improved by closer coordination.

The 1963 budget provides an amount of \$300,000 to be used for a cooperative study of State and local food and drug activities. As proposed, the study would be made by a private foundation or group under contract and would be conducted in cooperation with State and local officials and other interested organizations, such as the Association of Food and Drug Officials of the United States. The study would deal in depth with such questions as: (1) Organization, (2) uniformity and adequacy of programs, laws, and regulations, (3) competence of personnel, (4) adequacy of equipment and facilities, and (5) financing of State and local food and drug programs. A formal report will be developed from this study and will be furnished to executive and legislative branches and to the States.

IV. CONSUMER ATTITUDES AND INTERESTS

Mr. Chairman and members of the committee, I have tried to describe for you briefly some of the dynamics of this era and their effects on the Food and Drug Administration. Because of its direct response to the needs of the entire population, FDA is immediately and profoundly tied to and affected by these changes. In addition to the areas of change I have just described, there is probably no better indication of the status of our role than the attitudes and interests of the public we serve.

Besides being the atomic age, the times we live in may also be called the do-it-yourself era. Our media of communication—television, newspapers, radio, and magazines—exhort us to undertake all sorts of self-improvement and building projects, from learning Russian to constructing a birdhouse. With the idea in mind that the well-informed consumer is better able to protect his own interests and health in purchasing foods, drugs, and cosmetics, and under the mandates of the Congress to inform the public and regulated industries, FDA has a continuing program of consumer and industrial information-education services. For the consumer the program is partly a do-it-yourself project, that is, FDA provides the consumer with information, specifications, and in some cases, warnings about the foods, drugs, and cosmetics he uses and asks him to use this information to help protect himself from harmful, adulterated, and misrepresented products.

For example, one of the most popular publications of FDA for the consumer has been the booklet "Read the Label." Since its publication, over 100,000 copies of this booklet have been sold by the Government Printing Office; in the 12-month period ending July 1, 1961, 23,000 were sold by GPO to individuals and groups and a like number of single copies were distributed free by FDA in response to specific consumer requests. The booklet is a short, informative, and interesting course for the consumer about what to look for on the required labeling of foods, drugs, therapeutic devices, cosmetics, and household chemicals. If the consumer will heed the advice given in this booklet, and the indications are that more and more consumers are reading the labels on what they buy, he will greatly supplement the efforts of FDA to protect his health and to assure that he is getting what he pays for.

Further indications of the growing awareness and interest of the consumer in the programs of FDA are the increasing volume of mail inquiries from consumers, their telephone calls requesting information, and the increase in names

on FDA's informational mailing lists. Consumers write to FDA to ask questions about a wide variety of subjects ranging from sticks in lollipops, to the difference between saturated and unsaturated fats, to nutritional quackery, to packaging of foods, and to the very important area of drugs, which has become of more and more interest to the public because of recent congressional hearings. Some measure of consumer interest can be seen from the fact that FDA's Washington information staff receives thousands of written inquiries each year, the informational mailing list for consumers and industrial firms is increasing daily, and that our consumer's inquiries office in Washington alone receives about 20,000 telephone inquiries annually mainly from consumers requesting information about products. This is all in addition to the multitude of inquiries received by our field district offices each year.

V. SECOND CITIZENS ADVISORY COMMITTEE

In recognition of all these changes which have been occurring and which are forecast in the immediate future, Secretary Ribicoff, with the support of the Congress, has established a new committee of citizens to study the Food and Drug Administration, its programs and its requirements. A candid and knowledgeable appraisal of an organization's programs and resources by a group outside the organization, such as a citizen advisory committee, is one good means of obtaining constructive criticism and, in addition, it provides direction and goals for the agency's future.

As you know, such a committee studied FDA in 1955. A major recommendation of this first committee was for an increase in the staff and facilities of FDA. This recommendation specifically identified the need for a threefold to fourfold increase in staff in 5 to 10 years and the need for a new headquarters and laboratory building in Washington. Staffing to meet the Citizens Advisory Committee recommendations has been a goal since 1956, the new Washington headquarters and laboratory building is well on its way to becoming a fact, and most of the other recommendations of the first Citizens Advisory Committee have been implemented in whole or in part.

However, Mr. Chairman, as we have just pointed out and as you are well aware, there have been considerable changes in the responsibilities of FDA and in the scope of the programs of FDA since the report of the first Citizens Advisory Committee in 1955. The technological changes, changes in marketing practices, and changes in commercial production have been reflected in fundamental changes in the work of FDA and the size of the problems the agency faces. In addition, since 1955, the Congress has given FDA three new laws to administer, the Food Additives Amendment (1958), the Color Additive Amendments (1961), and the Federal Hazardous Substances Labeling Act (1961). These laws require added resources and development of new programs for the protection of the consumer that were not foreseen or considered by the first Citizens Advisory Committee in 1955.

It is in consideration of these broad, new responsibilities, and in light of fundamental changes in the size of the earlier responsibilities of FDA, that a second Citizens Advisory Committee has been formed by Secretary Ribicoff to reappraise the programs and resources of FDA. This second committee is composed of 16 prominent members from industry, labor, consumer groups, the legal profession, and universities. The chairman of the Committee is Dr. George Y. Harvey, professor of political science at the University of Missouri.

The Committee's first meeting was held on November 6, 1961, to discuss the nature and scope of their study and to lay the framework for conducting their study. Members of the committee, including the chairman, have visited our Washington headquarters and several of the FDA districts to gather firsthand information about the agency's operations and problems. The Committee's final report is expected early in the spring of this year.

VI. 1963 BUDGET SUMMARY

Mr. Chairman and members of the committee, we have endeavored to provide you with a brief appraisal of the accomplishments made in the past year as well as to call to your attention the ever-changing areas in which FDA works and the effects these changes are constantly having on our responsibilities and workloads. We want to emphasize that the budget request for fiscal year 1963, if approved by the Congress, will make substantial strides in preparing the Food and Drug Administration to cope with these changes and to meet the challenges ahead.

In summary, the budget for the Food and Drug Administration for 1963 requests an appropriation of \$28,400,000, which is a net increase of \$6,658,000 over the current fiscal year. This appropriation would provide a total of 3,023 positions, an increase of 600 over fiscal year 1962.

The increases requested for 1963 would be applied in the following way:

1. \$1,282,000 would cover mandatory costs not included in the 1962 base. These are:

(a) \$859,000 to pay full-year costs for the new positions authorized in 1962 but that were budgeted, because of lags in recruitment, etc., for only 57 percent of the year.

(b) \$423,000 for equipment for new buildings due to be completed in 1963.

2. \$4,078,000 of the total increase would be related to the 600 new positions being requested. These positions would be assigned to the following areas of activity:

(a) 254 positions and \$1,726,200 to strengthen base programs that have not changed in type of coverage since the first citizens study; these programs include:

(1) Food research and standards, 66 positions and \$448,600.

(2) Management and administrative services, 71 positions and \$482,600.

(3) FDA workload census, 31 positions and \$210,700.

(4) Field supervision, 28 positions and \$190,300.

(5) Imports program, 20 positions and \$135,800.

(6) New laboratory staff for special pharmacological animal laboratory, enforcement review, information services, animal feeds, and cosmetics, 38 positions and \$258,200.

(b) 316 positions and \$2,159,000 for programs that, although in effect at the time of the first citizens study, have changed significantly in scope and type of coverage. These programs are:

(1) Agricultural poisons, 190 positions and \$1,248,300.

(2) Drug activities, 126 positions and \$910,700.

(c) 30 positions and \$192,800 to implement new legislation enacted since the first citizens study; this legislation is the Food Additives Amendment.

Of these new positions, 381 will be field staff and 219 will be assigned to the Washington laboratories and offices. The increase of 600 positions is 25 percent over fiscal year 1962.

3. \$3,351,000 of the total increase would be for further improvement of space and facilities and other nonstaff items for improvement of FDA operations. This amount is budgeted as follows:

(a) \$1,520,000 for continuation of the field program for district office renovation. This sum includes \$752,000 to complete the renovation of four districts begun in 1962; and \$768,000 for first year costs for renovation of the four remaining districts.

(b) \$865,000 for first year rental costs for new space to be occupied in 1963.

(c) \$600,000 for special equipment requirements that include \$400,000 to purchase new equipment for new staff; \$190,000 for equipment replacement and modernization; and \$10,000 for equipment for eight new resident posts.

(d) \$300,000 for a study—to be contracted—of State and local food and drug programs.

(e) \$66,000 for other general nonstaff increases.

The gross increases outlined above for salaries and expenses for fiscal year 1963 would amount to \$8,711,000. This would be offset by \$2,053,000 in non-recurring expenses budgeted for fiscal year 1962, so that the net increase requested for fiscal year 1963 is \$6,658,000.

In summary, Mr. Chairman, this is the appropriation requested for the salaries and expenses account of FDA. These funds will provide FDA with many of the resources needed to keep pace with the dynamic changes in the industries of concern to the agency so that FDA may better meet its responsibilities for protection of the Nation's growing population.

Mr. FOGARTY. I want to give you all the opportunity you want now, because this is an area that was cut back in 1962, against my wishes, of course, and I want to make sure that you develop a good case and tell

us what, in your professional judgment, is needed. That takes you out from under any Bureau of the Budget orders. So you go right ahead; you have a free rein.

Mr. LARRICK. All right, sir.

SUMMARY OF BUDGET

Mr. Chairman and members of the committee, the President's budget for fiscal year 1963 contains a total appropriation of \$28,400,000 and authorizes a total staff of 3,023 positions for the Food and Drug Administration. This represents an increase of 600 positions and \$6,658,000 over 1962, a significant increase which will contribute measurably to improving our ability to protect the Nation's 185 million consumers.

APPLICATION OF 1963 INCREASES

The increases requested for 1963 would be applied in the following way:

(1) \$1,282,000 would cover mandatory or uncontrollable costs not included in the 1962 budget base. These costs include, first, the financing on a full-year basis of positions authorized for less than a full year in 1962, and, secondly, the financing of equipment for new facilities which will become available in FDA during 1963, namely, the new FDA Building in Washington, D.C., and our new animal laboratory facility which is to be constructed in Beltsville, Md.

(2) \$4,078,000 would cover the cost of 600 new positions requested in 1963. These positions represent a 25-percent increase over the 1962 staff. Of the 600 new jobs, 381—

Mr. FOGARTY. What are you talking about; increases over what Congress gave you or—

Mr. LARRICK. No, sir.

Mr. FOGARTY. Or after the cuts that are imposed?

Mr. LARRICK. I am talking about what was left after all the cuts had been absorbed, the 25 percent increase after the cuts had been absorbed. In other words, this would not have been 25 percent if we had had the money that was taken away.

Mr. FOGARTY. I think we ought to get a table showing what percentage increase it would be if you were allocated all the funds voted by Congress and also after the cutbacks in this program.

(The requested table follows:)

FOOD AND DRUG ADMINISTRATION

Percentage increases, 1963 over 1962

	1962 actual ¹	1963 estimate ²	Percent of increase
Staff on basis of—			
1962 congressional allowance.....	2, 481	3, 023	21. 8
1962 after executive cutback.....	2, 423	3, 023	24. 8
Funds on basis of—			
1962 congressional allowance.....	\$22, 888	\$28, 400	24. 1
1962 after executive cutback.....	\$21, 742	\$28, 400	30. 6

¹ Includes 11 positions and \$105,000 for civil defense activities.

² Includes 11 positions and \$120,000 for civil defense.

Mr. LARRICK. Shall I proceed?

Mr. FOGARTY. Yes.

ASSIGNMENT OF NEW PERSONNEL

Mr. LARRICK. Of the 600 new jobs 381, including 134 inspectors, would be in the field and 219 would be assigned to Washington.

The new positions would be assigned to FDA programs pretty much across-the-board with special emphasis on programs which, within recent years, have taken on new dimensions. Two programs in this category with which you are familiar will be emphasized. One is a program to protect consumers against toxic pesticide residues on foods. This would be done by increasing inspections, sampling, and research. The other program is one to further our efforts in protecting consumers of drugs. This would be done by increasing inspections and sampling, improving our research efforts, and, most importantly, by strengthening our ability to evaluate new drugs for safety, to review labeling, and to combat the illicit sale of prescription drugs. Over half of the 600 new positions would be assigned to these two programs.

The remaining staff will allow FDA to: (a) Expand its efforts to provide inspectional coverage of chemicals and other ingredients used as food additives; (b) Conduct needed research in selected areas, such as dietary foods, cosmetics, fats and fatty acids, and food decomposition; (c) Establish and enforce standards for the quality, identity, and fill-of-container for given foods; (d) Complete a nationwide inventory of firms and establishments subject to FDA's jurisdiction; (e) Provide additional supervision for inspectors and scientists working in the field; (f) Expand surveillance of imported foods, drugs, and cosmetics; and (g) Provide additional informational, educational, administrative and other supporting staff.

INCREASE FOR FACILITIES AND EQUIPMENT

Of the total increase, \$3,351,000 would be for facilities, equipment, and other nonstaff improvements. There are five significant categories of expenses included in this item:

(a) \$1,520,000 to complete the renovation of four FDA district offices scheduled to be started in 1962. These are at Baltimore, Chicago, New Orleans, and Seattle; and to begin, during 1963, the renovation of four more (Philadelphia, San Francisco, St. Louis, and Denver.)

(b) \$865,000 to pay first year rental costs for new space due to be acquired in 1963.

(c) \$600,000 for laboratory and other equipment, including special scientific equipment for programs to be expanded in 1963, plus equipment to replace and modernize FDA's current inventory.

(d) \$300,000 for a study of State and local food and drug programs to determine if and how Federal-State cooperation and coordination in the food, drug, and cosmetic areas might be improved and better correlated with our own activities. The study, if the money is approved, would be contracted to a private nonprofit organization and would be conducted in cooperation with State and local officials and other interested groups; and

(e) \$66,000 for other nonstaff costs, including funds for the clinical testing of drugs and therapeutic devices and for employee training.

The gross increases outlined above for salaries and expenses for fiscal year 1963 would amount to \$8,711,000. This would be offset by \$2,053,000 in nonrecurring expenses budgeted for fiscal year 1962, so that the net increase requested for fiscal year 1963 is \$6,658,000.

INCREASES FOR CERTIFICATION ACTIVITIES

This, gentlemen, is a brief summary of our 1963 budget for salaries and expenses. The 1963 FDA budget also contemplates a gross increase of \$670,500 (net increase of \$612,000) in the level of obligations for our certification activities. As you know, this involves the pre-testing and certification of certain antibiotics, insulin, and colors, and the establishment of safety tolerances for pesticides and color additives. Of the gross increase \$520,000 would be used to finance the move and relocation of our certification activities into the new FDA building; \$56,800 would finance on a full year basis new positions authorized for these activities during 1962; and the remainder, \$93,700 would finance seven new jobs to implement the color additive amendments of 1960. These amendments become effective fully in January 1963. As you know, all of these activities for certification activities will be financed from fees collected from industry.

I shall be glad to try to answer any questions that the committee might wish to ask.

Mr. FOGARTY. Thank you, Mr. Larrick.

SUMMARY OF BUDGET

Your appropriation for 1962 is \$23 million, and the request for 1963 is \$28,400,000. Since there is a comparative transfer of \$217,000 to GSA, the real increase in the appropriation request is \$5,617,000.

However, \$120,000 of this is for civil defense; so, for practical purposes, an increase of \$5,497,000 is requested.

Mr. HARVEY. That is correct.

Mr. CARDWELL. That is correct.

Mr. FOGARTY. Now, this is further fouled up—I suppose we are going to see a lot of these justifications fouled up—because of the reserve for savings. In your case you have \$1,146,000 in reserve for savings.

Mr. LARRICK. That is correct.

Mr. FOGARTY. So, if the request is granted, and leaving civil defense out of the picture, you will have \$6,643,000 more available for obligation in 1963 than 1962.

Mr. LARRICK. That is correct, Mr. Chairman.

DISCREPANCY BETWEEN JUSTIFICATIONS AND PRESIDENT'S BUDGET

Mr. FOGARTY. Now, the President's budget shows your estimated obligations for 1962 are \$21,637,000 and you show them as \$21,742,000.

Mr. LARRICK. Our figures include, I think, the civil defense money we were getting, and that was money we were allowed to spend.

Mr. FOGARTY. Why should not both budgets be the same?

Mr. KELLY. Well, the President's budget has not shown any place in the Government the comparable transfers for the civil defense activities being carried out in 1962. But in order to be informative to the committee in our justifications, we showed this so that you would see how much of it was actually a net increase and how much of it corresponded with an on-going program, even though it is not, technically, reflected in our budget.

Mr. FOGARTY. So you think this is more informative this way?

Mr. KELLY. I thought it was more helpful to the committee this way, Mr. Chairman; yes.

Mr. FOGARTY. Why did not the Bureau of the Budget show the civil defense item as a comparative transfer?

Mr. KELLY. I do not know. They did consider it and ruled that they would not do it, and said customarily they do not show comparative transfers between Government agencies.

Mr. FOGARTY. Here on the same schedule they show a transfer to GSA.

Mr. KELLY. Yes. This is not a comparable transfer. It is treated as a financial transaction called an appropriation transfer. We actually transfer the funds to GSA and thereafter they budget for the item.

Mr. FOGARTY. Well, is it not so that the civil defense funds were transferred to FDA?

Mr. KELLY. Well, the civil defense funds are like the foreign aid funds; they are allocated to us to expend on the behalf of AID, while the rental funds are a transfer to GSA, and they have a complete control over it and spend it. It is technically a different financial transaction, although the end result is very similar.

Mr. FOGARTY. What is the difference between "allocation" and "transfer"?

Mr. KELLY. Well, there are four or five different ways in which you can bring about a transefer of funds among Government agencies.

Mr. FOGARTY. The lines are pretty thin, though, are they not?

Mr. KELLY. The differentiation is not very great. The net result is the same in both instances.

FUNDS PLACED IN RESERVE BY THE DEPARTMENT

Mr. FOGARTY. Mr. Larrick, were you pleased with that \$1,146,000 being put in reserve?

Mr. LARRICK. No, sir.

Mr. FOGARTY. What did you do about it?

Mr. KELLY. Mr. Chairman, I wonder if I could bring out at that point that \$633,000 of that transfer—

Mr. FOGARTY. I think you made that clear.

Mr. KELLY. Yes.

Mr. FOGARTY. It was well explained in the Secretary's testimony, but we will put it in again.

Mr. KELLY. I just thought that it would assist. It was a savings of \$633,000 relating to rental requirements which we budgeted and for which you provided the funds. It has developed that we will not use these funds until 1963, so that this was not really a part of a reduction in the program that would otherwise have developed.

Mr. FOGARTY. All right, let us say \$500,000 for savings. That is a pretty sizable reduction, because the Congress cut your 1962 budget \$500,000 and then this is an additional \$500,000. So it is actually \$1 million less than you justified last year.

Did you really jump into this thing when it was suggested and say you would agree, or did you do some fighting about it?

Mr. LARRICK. As I recall—this is correct, except perhaps for some minor details—my recollection is that we were told that the problems of the Government as a whole were so great that they had to make the cut, and that the cuts were prorated in the Department on the basis of an overall amount that had been allocated to the Department.

Mr. FOGARTY. Did they tell you that these were going to be across-the-board arbitrary cuts in Health, Education, and Welfare?

Mr. LARRICK. They did not tell us that. What I was told by my associates who work in our budget office was that there had been a determination by the Bureau of the Budget—at least, that was the group that communicated with our Department—that a certain sum would have to be saved out of the money as a whole. And we were told that the money to be saved by us was a certain amount. And as I recall the—

Mr. FOGARTY. They just came in and told you, you had to put in reserve \$1,146,000; is that right?

Mr. LARRICK. I believe that is right.

Mr. FOGARTY. What did you say then? Did you give them any arguments?

Mr. HARVEY. Mr. Chairman, may I be permitted to answer?

Mr. FOGARTY. Yes. I want this record to be right.

Mr. HARVEY. My recollection is that Mr. Larrick was away from his office at this particular time and I think that the various discussions he is talking about were with me. Is that not correct, Mr. Kelly?

Mr. KELLY. Yes, sir.

Mr. FOGARTY. Well, do not tell me you gave in peacefully.

Mr. HARVEY. Not very, sir.

Mr. FOGARTY. Tell us about it.

Mr. HARVEY. Well, I questioned it as much as I could. But I addressed myself to the problem of meeting the reduction, with the result that we reduced the total number of people to be cut to 58.

Mr. FOGARTY. Did you not put up strong objections to being cut? This is one of the more important arms of the Government?

Mr. HARVEY. We pointed that out.

Mr. KELLY. I think, Mr. Chairman, they made known to me, so that I could make known to the Secretary, the impact that it would have on their program. Further, they brought to my attention the fact that the number of positions which we had reduced in the initial allocation of this reduction was an excessive number and a greater percentage cut than the others took.

It developed that we had made an error in the calculation, and we made an adjustment for that purpose. And we then met with the Food and Drug Administration to see that, if in making this reduction, we could not minimize the damage that it would do to their planned program by taking the lowest priority items and by effecting the maximum savings through delay in employment, rather than by elimination of jobs.

Mr. FOGARTY. You do not mind if I disagree with you and say that I do not think you can minimize the damage in such a cut?

Mr. KELLY. Yes, sir.

Mr. FOGARTY. How many positions have to be eliminated to meet this reserve?

Mr. HARVEY. Fifty-eight.

Mr. FOGARTY. Fifty-eight.

Mr. HARVEY. Yes, sir.

RELEASE OF FUNDS IN RESERVE

Mr. FOGARTY. As I understand it, the President can order the Bureau of the Budget to release these funds if he wants to?

Mr. HARVEY. That is my understanding, yes, sir.

Mr. FOGARTY. Actually the Secretary can release them, can he not?

Mr. LARRICK. I do not know if the Secretary can or not.

Mr. FOGARTY. I am not trying to get you in trouble. We had the Secretary here for 2½ days, and I have gone through all these questions with the Department of Labor. I expect to ask everybody much the same thing, because I was against these cuts, and still am. I would like the Secretary and the President to see the light and release these funds before it is too late.

As I understand it, the Secretary could release the funds, because there is nothing in writing so far as we can find out—this reserve isn't formalized as a budget reserve.

Mr. KELLY. That is correct, Mr. Chairman. These reserves are an administrative reserve directed by the Secretary. I think he indicated that he would not feel that he could release them without the approval of the President, because they were placed in reserve with the President's approval and under his instructions.

Mr. CARDWELL. There is one technical aspect though—

Mr. FOGARTY. I still think he could release them if he wanted to.

What were you going to say?

Mr. CARDWELL. I was going to say there was one technical aspect of our particular reserve, the \$633,000, that has been identified. I believe it would require reappropriation action.

Mr. KELLY. Yes. I believe the chairman was only talking about the portion that was a program reduction, the \$500,000-and-some-odd.

Mr. FOGARTY. Yes.

IMPORTANCE OF POSITIONS CUT

Now, tell us how important these 58 positions were to the enforcement of these laws, and give me a description of what is going to be lost, and how the whole setup will be weakened by this reduction.

Mr. LARRICK. You will recall that, in justifying the proposed increase last year, we placed emphasis on pesticides, the growing use of—

Mr. FOGARTY. You originally asked for more positions than you received?

Mr. LARRICK. That is right. And also, you recall that we spoke about the need, in our judgment, for increased activity in the field of drugs, and particularly prescription drugs, a subject that had been pretty well bandied about with a lot of information acquired

through Mr. Kefauver's committee. I think you remember the investigations.

We felt that our justification to the committee was, in all honesty, meeting a real need.

Mr. FOGARTY. Give us some examples of what happens when you do not have enough.

Mr. LARRICK. A few examples, the fewer samples of agricultural products that we collect, the more the chances are that some contaminated with toxic pesticide residues will get through our dragnet and get to the public. And we know from our experience that there is a greater need to have tighter control over the medications that people use under doctors' care when they are sick.

In fiscal year 1962 we had some increases in both of these areas, but we did not get as much of an increase as we would have liked. In addition to that——

Mr. FOGARTY. Some of these results could be really harmful, then, could they not?

Mr. LARRICK. Yes.

Mr. FOGARTY. Some people could die from some of these things if they are not caught in time?

Mr. LARRICK. Any drug that is not up to its potency is a serious matter.

Mr. HARVEY. Mr. Chairman, if I may inject, what we have to do here, essentially, is to take this cut, on paper at least, across the board.

Under our method of operation, it is impossible to apply such a cut so finely that it will affect one precise project or one precise job and only that project or job. We are not going to say that we will use so many men on pesticides and no matter what the situation is, we just would not use any more. We have to try to balance things out.

So this across-the-board cut does not change the pattern of trying to put out the fires as they arise and to——

Mr. FOGARTY. It results in a general weakening of the overall program.

Mr. HARVEY. Precisely. It just has that effect of a general overall cut, to that extent.

Mr. FOGARTY. Do you have further comments, Mr. Larrick?

Mr. LARRICK. I think that covers it pretty well.

The other cuts were in administration, one position was cut in food technology, one position from food sanitation, one from information and one from programing. But that just bears out his statemnt, that the cut is overall.

PRESIDENT'S CRITERIA FOR RESERVES

Mr. FOGARTY. Now, the President said:

I much prefer that obligational authority remain uncommitted where there is any doubt that expenditures would yield substantial returns to the national interest.

Would not these 58 positions yield substantial returns to the national interest, in your opinion?

Either one of you may answer it, or both of you.

Mr. LARRICK. Well, I do not think there has been any lack of appreciation on the part of the President for the needs of the Food and

Drug Administration. Certainly, he put a very strong statement in his state of the Nation message.

Mr. FOGARTY. Yes; but those things do not add up to me. I know about those statements but the budget is cut back \$500,000. It just does not add up.

Mr. LARRICK. I am very glad to welcome his statement in the state of the Union message, that he thinks this area needs very much to be strengthened, because I share that view very emphatically.

Mr. FOGARTY. I think the President had some bad advice on the cutting of the Food and Drug appropriation.

Mr. LARRICK. Well, I do not know about that.

Mr. FOGARTY. You cannot answer that, and I cannot either, but that seems to be a good possibility.

Could you use this money if it were given to you now?

Mr. HARVEY. Yes, sir.

Mr. FOGARTY. Can you get the 58 people?

Mr. HARVEY. Yes, sir.

PLANNED USE OF RESERVES IF RELEASED

Mr. FOGARTY. What will you do, if we are able to get this \$500,000-odd released?

Mr. LARRICK. We might want to make some adjustments——

Mr. FOGARTY. In what part of the overall program would it be, in the national interest, and in the interest of protecting the consumer?

Mr. LARRICK. I would think that it would speed up our program to get deeper into the problem of pesticides, to prevent the improper use of pesticides in growing fruits and vegetables. It would permit us to accelerate our program to inspect more of the pharmaceutical houses that are making drugs for the doctors to prescribe.

Mr. FOGARTY. Is that not one of the highest priorities you have at this time?

Mr. LARRICK. We have lots of high priorities, sir, but this is among them.

Mr. HARVEY. I am sure that another area in which we would press more rapidly would be in the radiological area if we had these people. This is one——

Mr. FOGARTY. Who is going to do this work in the radiological field, Public Health Service or you people?

Mr. HARVEY. In the food area it is our obligation. We are doing it, but not as fast and not as completely as we want to, as we feel that we should.

Mr. FOGARTY. Any other areas?

Mr. KELLY. When I made the statement the other day, Mr. Chairman, that there was pending consideration of an item with respect to radiological health, it applied both to the Food and Drug Administration and the Public Health Service.

Mr. FOGARTY. Why just consider amendments? Why not release some of these funds now?

Mr. KELLY. Well, that question is under consideration in connection with the radiological health. And we do not have a resolution of it as yet.

Mr. FOGARTY. Any other areas that we should know about that are very important?

Mr. LARRICK. Restoration of the cut would permit a general strengthening of our activities, including sanitation, program programming, pesticides, drugs, and food additives. We would strengthen what we think are the most important priority items. Those are generally matters involving consumer health.

CHRONOLOGY OF THE RESERVES

Mr. FOGARTY. When were you first consulted on this proposed cut? When was the first time you heard about it?

Mr. HARVEY. Mr. Chairman, I do not remember the precise date. It was early in October, as I recall, that I was first advised of it, sir.

Mr. FOGARTY. The Department was working on these cuts in the middle of September, so I was wondering when you were notified.

Mr. HARVEY. That is my recollection.

Mr. Kelly, would you check that? Is that about right?

Mr. KELLY. The chairman has asked me to get a chronology on it. It is being put together. But I think it was somewhere toward the middle of October that we met to go over these.

Mr. LARRICK. Mr. Miller says October 19.

Mr. HARVEY. It was October 19 that we set up the way the cut would hit us. I remember that very well, because it was my birthday.

Mr. FOGARTY. That was quite a present.

What was the first amount suggested to you by the Department?

Mr. CARDWELL. The Department suggested only one amount to us, as I recall, \$1,146,000, but they originally suggested a greater number of jobs. I do not remember what the difference was—70 or 71 jobs.

Mr. FOGARTY. The original request was to cut 70 jobs?

Mr. CARDWELL. I believe so.

Mr. FOGARTY. That is worse than I thought it was, then.

Mr. HARVEY. I think this was an error in mathematical calculation.

Mr. FOGARTY. That was resolved at 58?

Mr. KELLY. Yes, sir.

Mr. FOGARTY. Well, it looks to me as though you did not have much to do about it. You were just forced to take the reduction, and you had to go along with it.

Mr. HARVEY. I think so.

Mr. LARRICK. We were allowed to apply it as we saw fit, but we were told to take the reduction and we took it.

Mr. FOGARTY. Did you tell them that Congress cut you \$500,000, too?

Mr. LARRICK. We did an awful lot of talking about that.

Mr. FOGARTY. Did you? Did you tell them about the Citizens' Committee recommendations?

Mr. LARRICK. At great length.

Mr. FOGARTY. I think Mrs. Hobby is going to be very disappointed with this action.

Do you have any idea, Mr. Larrick, or Mr. Harvey, why the Bureau of the Budget has never formally approved this reserve?

Mr. LARRICK. I do not. I do not know the mechanism of the reserve process. Mr. Kelly would be more likely to know that.

Mr. KELLY. It was at our election, Mr. Chairman, that we set it up as an administrative reserve, rather than doing it through an apportionment process. It is my understanding that many agencies, if not most, did it this way.

Mr. FOGARTY. Of course, there is a big difference in the speed at which things went when all this started. This Department took a few days. The Department of Labor took 3 months, they testified last week, before they were forced to finally accept something from the Bureau of the Budget that they did not want.

STATUS OF BUILDING CONSTRUCTION

What is the current status of your two buildings, Mr. Larrick?

Mr. LARRICK. The ones in this area, or do you mean the buildings in the field?

Mr. FOGARTY. No; here.

Mr. LARRICK. Well, as for the headquarters laboratory building in Washington, the basement is roughed in, the cement work is done, and they have the cement and steelwork finished through the second floor and about half finished in the third floor.

Now, can you give them some dates?

Mr. CARDWELL. Well, we expect occupancy by the late fall of 1963.

Mr. LARRICK. The GSA has money to complete the shell of the building and to pay for the heavy equipment that goes in the building—the fixed laboratory equipment that goes in the building. We still will have to come to you for the money next year to get the moveable laboratory equipment.

Mr. FOGARTY. What do you mean? You are talking about fiscal 1964 now?

Mr. LARRICK. Yes.

Mr. CARDWELL. There is included in this budget, however, funds to finance the move itself and that furniture and equipment which is directly associated with occupancy. In other words, where we have to outfit a conference room, and the like, which we do not now have but which we will have in the new building. Such funds are included in the budget which is now before you.

Mr. HARVEY. The new laboratory equipment, will that be purchased out of funds not yet appropriated?

Mr. CARDWELL. Yes.

BELTSVILLE LABORATORY

Mr. FOGARTY. What about the other building out in Beltsville?

Mr. LARRICK. At Beltsville we will have the Pharmacological Laboratory. We have the land but have run into some difficulty with sewage and must satisfy the county by working out a system where sewage for this large number of animals and substantial number of people can be adequately taken care of.

I believe GSA is just about ready to let the contract.

Mr. CARDWELL. Well, they actually do not expect to let the contract much before the latter part of this fiscal year, probably in the spring. They have been having trouble with the——

Mr. FOGARTY. What county is this?

Mr. CARDWELL. Prince Georges.

Mr. LARRICK. Prince Georges.

Mr. FOGARTY. If you have any problem there, you can move it to some other county, can you not?

Mr. CARDWELL. Well, we could. The site is already selected. We have already a small installation at this same area and we are hoping

to develop this particular site for future use, going beyond the animal laboratory operation.

Mr. HARVEY. Mr. Chairman, this is not under the county commissioners of Prince Georges County. There are many different organizations with which you have to clear these things through, including the Greater Washington Development group, and it is a slow process.

I would say that the Prince Georges County people finally came around in a very nice fashion. So I do not want to say that delay is being imposed by them.

ADVISORY COMMITTEE

Mr. FOGARTY. What about your advisory committee?

Tell us who they are; how many meetings have they held; what progress they are making?

Mr. LARRICK. They have held one meeting and the individual members of the committee have visited numerous of our field installations on their own. Some of them have come in and made individual inquiries of our laboratory people and our administrative people. The committee, we feel, is very fortunate in getting a very able chairman, Dr. George Y. Harvey. He is in town today.

Mr. FOGARTY. Is he related to you, Mr. Harvey?

Mr. LARRICK. I looked into that very carefully and found that his past associations were such that, if he were related to this Harvey—which he is not—he would not have taken the job.

Mr. FOGARTY. Do you think you have a pretty good chairman?

Mr. LARRICK. I think we are extremely fortunate that he is with us. He may be rough on us, though.

Mr. FOGARTY. We think so too.

He has had a pretty good record in Congress for cutting appropriations. Did you know of his cutting appropriation bills?

Mr. LARRICK. We want an honest appraisal. If we are doing some things that are not quite right, we want to——

Mr. FOGARTY. You have got a very conservative chairman. Now, when is this committee scheduled to make its first report?

Mr. LARRICK. Well, it is scheduled, I believe, to make its first report—is it April 1, Mr. Kelly?

Mr. KELLY. It is April 1, this year.

Mr. LARRICK. I do not know whether Dr. Harvey has talked to you or not. This is their holiday out there at the University of Missouri. He said it would not be possible to make it that soon, that he wanted to do a more thorough job than would be possible to do on a crash basis. And I told him, as far as the Food and Drug Administration is concerned—and I am sure as far as the Department is concerned—we would give him as much time as he needed to do a real job.

Now, how he is going to finance it, I am going to let Mr. Kelly——

Mr. FOGARTY. What good are these advisory committees if you do not get the money to keep up with their advice?

Mr. LARRICK. None. No; I would not say none; the advisory committee can find some things wrong with your organization that you have missed yourself, because you are so close to it that you can miss it. But by and large, you cannot make bricks without straw.

Mr. FOGARTY. Do you have the authority, if they report by May or June with a recommendation to double this appropriation, to make your request through the regular channels?

Mr. LARRICK. I have the authority to make the request to the Secretary at any time.

Mr. FOGARTY. What would be your feeling in this matter if they decide that this appropriation should be doubled, or tripled?

Mr. LARRICK. I would be surprised, Mr. Chairman, if we would be in a position to come up with a recommendation and work it through ahead of the 1964 budget.

Mr. FOGARTY. I see.

Mr. LARRICK. I have talked that over briefly with the chairman. He has not committed himself on anything. But I think he knows that 1964 will be the earliest we can possibly come up with it.

ORIGINAL BUDGET AND DEPARTMENT'S REDUCTIONS

Mr. FOGARTY. You asked the Department for \$34,873,000 for 1963 and they cut you \$3 million. What was that cut for?

Mr. KELLY. The Department's decrease was just to restrain the rate of growth to that which was considered administratively feasible in most areas in terms of the numbers of people to be put on at one time.

Mr. FOGARTY. Did you not think, when you presented this request to the Department, that it was administratively feasible to go ahead?

Mr. LARRICK. Yes.

Mr. FOGARTY. Do you still think so?

Mr. LARRICK. Yes.

Mr. FOGARTY. Do they know more than you do about the operation of your agency?

Mr. LARRICK. We always respect the judgment of the people that we work with.

Mr. FOGARTY. They cut you back \$3 million. That is a pretty sizeable cut. That is about 10 percent, is it not?

Mr. LARRICK. Yes. But I will give them credit; this 1963 budget is one of the best budgets we have had so far.

Mr. FOGARTY. I do not know how you can give them credit on the one hand and say they cut too much on the other hand.

Mr. LARRICK. Well, we would like to have had it all, and we would have used it all to very good advantage.

Mr. FOGARTY. You are not giving them credit for cutting you back \$500,000 this year, are you?

Mr. LARRICK. No.

Mr. FOGARTY. All right, will you explain in detail this cut, what this \$3 million would have been used for. You can put that in the record.

Mr. LARRICK. Very well, sir.

CUT MADE BY THE BUDGET BUREAU

Mr. FOGARTY. And the Bureau of the Budget cut you another \$3 million. So you are about \$6.5 million short of what you requested.

Mr. LARRICK. That is right.

Mr. FOGARTY. Give us a complete breakdown of that \$3 million, too.

Mr. LARRICK. We have that, sir, and we will be glad to submit it.

Mr. FOGARTY. All right.

(The information requested follows:)

FOOD AND DRUG ADMINISTRATION

Comparison: *FDA preliminary estimate, Secretary's allowance, and Bureau of the Budget allowance*

	FDA estimate		Secretary's allowance		Change		Bureau of the Budget allowance		Change	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Mandatory increases:										
1. Full year costs of 1962 staff.....		\$859,000		\$859,000				\$859,000		
2. Equipment and maintenance of new facilities.....		1,180,000		1,180,000				423,000		-\$757,000
Total, mandatory increases.....		2,039,000		2,039,000				1,282,000		-\$757,000
Program increases:										
1. Base programs:										
(a) Food research and standards.....	103	850,300	66	538,600	-37	-\$311,700	66	448,600		-90,000
(b) Management and administration.....	141	1,164,000	71	579,400	-70	-584,600	71	482,600		-96,800
(c) FDA workload census.....	54	445,500	31	253,000	-23	-192,500	31	210,700		-42,300
(d) Field supervision.....	48	396,200	28	228,500	-20	-167,700	28	190,300		-38,200
(e) Imports.....	40	330,200	20	103,200	-20	-167,000	20	135,800		-27,400
(f) SPAL.....	21	173,400	12	97,900	-9	-75,500	12	81,500		-16,400
(g) Enforcement review.....	19	156,800	10	81,600	-9	-75,200	10	68,000		-13,600
(h) Information services.....	13	107,300	7	57,100	-6	-50,200	7	47,500		-9,600
(i) Medical services.....	7	57,800	5	40,800	-2	-17,000	5	34,000		-6,800
(j) Animal feeds.....	5	41,300	2	16,300	-3	-25,000	2	13,600		-2,700
(k) Cosmetics.....	4	33,000	2	16,300	-2	-16,700	2	13,600		-2,700
(l) Research editorial group.....	1	8,300			-1	-8,300				
(m) Research instrumentation group.....	2	16,500			-2	-16,500				
(n) Consumer attitudes survey.....	2	16,500			-2	-16,500				
(o) Federal-State relations.....	3	24,800			-3	-24,800				
(p) Consumer consultants.....	20	165,100			-20	-165,100				
Subtotal, base programs.....	483	3,987,000	254	2,072,700	-229	-1,914,300	254	1,726,200		-346,500
2. Special programs:										
(a) Agricultural poisons.....	190	1,494,000	190	1,498,500		+4,500	190	1,248,300		-250,200
(b) Drugs.....	126	1,030,000	126	1,093,300		+63,300	126	910,700		-182,600
(c) Food additives.....	30	248,000	30	231,500		-16,500	30	192,800		-38,700
(d) Radioactivity.....	30	276,000			-30	-276,000				
(e) Color additives.....	8	66,000								
(f) Hazardous substances.....	17	140,000			-17	-140,000				
(g) Civil defense.....	18	330,000	12	151,000	-6	-179,000			-12	-151,000
Subtotal, special.....	419	3,593,000	358	2,974,300	-61	-618,700	346	2,351,800	-12	-622,500

RENOVATION OF DISTRICT OFFICES

Mr. LARRICK. I would like, with your permission, to put somewhere in the record the present status of our efforts at refurbishing of all our 18 districts.

Mr. FOGARTY. What are the four you said you were going to take care of in 1962?

Mr. LARRICK. The last four.

Mr. FOGARTY. I have forgotten where they are.

Mr. CARDWELL. Philadelphia, St. Louis, San Francisco, and Seattle.

Mr. FOGARTY. In 1962?

Mr. CARDWELL. I am sorry; in 1963. They are the ones included in 1963?

Mr. FOGARTY. What ones in 1962?

Mr. CARDWELL. In 1962, Baltimore—and this is insofar as funding is concerned—Baltimore, Boston, Chicago, and New York City.

Mr. FOGARTY. Do you have enough funds in 1962 to complete this program?

Mr. LARRICK. No. The first year costs for the last four districts will be picked up in this budget.

Mr. CARDWELL. The 1963 budget.

Mr. LARRICK. Then we will need the second year costs for these four districts in the 1964 budget.

Mr. FOGARTY. You can give us a complete breakdown on all these offices and what has happened and what the plan is for the future.

Mr. LARRICK. Yes, sir.

(The requested supplied follows:)

FOOD AND DRUG ADMINISTRATION

Status of financing district office renovation program

District office	Total funds needed to implement original plan	Funding, 1958 through 1963 (budget)	Funding required in 1964
Atlanta.....	\$164,000	\$164,000	-----
Baltimore.....	377,000	377,000	-----
Boston.....	244,800	244,800	-----
Buffalo.....	250,000	250,000	-----
Chicago.....	435,000	435,000	-----
Cincinnati.....	270,800	270,800	-----
Dallas.....	300,000	300,000	-----
Denver.....	318,000	168,000	\$150,000
Detroit.....	300,000	300,000	-----
Kansas City.....	307,000	307,000	-----
Los Angeles.....	250,000	250,000	-----
Minneapolis.....	307,000	307,000	-----
New York.....	750,000	350,000	400,000
New Orleans.....	318,000	318,000	-----
Philadelphia.....	377,000	200,000	177,000
San Francisco.....	377,000	200,000	177,000
St. Louis.....	377,000	200,000	177,000
Seattle.....	317,000	317,000	-----
Total.....	6,039,600	4,958,600	1,081,000

INCREASES REQUESTED FOR 1963

Mr. FOGARTY. About \$1,300,000 of the increase you are requesting is for almost mandatory items, such as annualization of positions that were new in 1962 and equipment in the new buildings.

STRENGTHENING OF REGULAR ACTIVITIES

The next increase you set forth in the justifications is \$1,726,200 to strengthen the regular activities of the basic program. Would you tell us how that would be used and why it is necessary?

Mr. LARRICK. You mean the second one that you quote?

Mr. FOGARTY. Yes, \$1,726,000.

Mr. LARRICK. That is in considerable detail on page 12 of the documents that we have submitted.

Do you want me to read all this? There are several pages.

Mr. FOGARTY. Give me the highlights.

FOOD RESEARCH AND STANDARDS

Mr. CARDWELL. Mr. Chairman, a number of different items are included in that section. Included is, for example, \$448,600 to work on food research and standards. There are 71 jobs included to strengthen management across the board, including staff assistants for program people to relieve scientists and other program people of administrative burdens.

As Mr. Larrick mentioned, there is an increase to complete a nationwide census of firms and establishments subject to the Food, Drug and Cosmetic Act and other related acts.

Mr. FOGARTY. Tell me something about that.

Mr. LARRICK. We want to know what our workload is, so when we come up here, we will know how many firms we will have to regulate in the food, drug, or pharmaceutical business, and as much information as we can get to appraise accurately what our work really is. We have never really had that information.

IMPROVED SUPERVISION OF OPERATING PERSONNEL

Mr. FOGARTY. It sounds practical to me. All right.

Mr. CARDWELL. We are also proposing to improve the ratio of field supervisory inspectors and chemists to our operating inspectors and chemists working in the field.

Mr. LARRICK. That is particularly necessary when you have such a large percentage of new people. We have got to have better supervision, and that was one of the recommendations of this management group that studied us a few years ago.

IMPORT SURVEILLANCE

Mr. CARDWELL. We are beginning to move ahead in the area of imports and would add 20 jobs in 1963 to work on surveillance of imports from abroad.

Mr. LARRICK. Now, that is just the beginning of a program we expect in future years will be even more important if the President's foreign trade program goes through.

Mr. FOGARTY. It is going to open up a whole new market here.

Mr. HARVEY. Eventually it is going to involve some kind of foreign duty and a lot of foreign travel. This is a big proposition.

Mr. FOGARTY. You mean something somewhat like the public health people working in the quarantine service abroad?

Mr. HARVEY. That is right.

Mr. FOGARTY. Do you inspect some of these things before they leave?

Mr. LARRICK. Last year we had a million and a half pounds of coffee from the Ivory Coast tied up.

Mr. FOGARTY. Over here?

Mr. LARRICK. Yes; it got all the way over here; and they sent a crew over and we sat down and talked to them and in an hour figured out what the problem was. If we had had people over there, we could have either prevented the coffee from taking a long ocean voyage or prevented the problem altogether and had good clean coffee.

Mr. Harvey is about to go to Iraq if he gets his strength back; because we have got a tremendous problem with their dates.

Mr. FOGARTY. What are you going to do when you get over there?

Mr. HARVEY. Off the record.

(Discussion off the record.)

ENFORCEMENT REVIEW

Mr. LARRICK. The 1963 budget would also provide improved enforcement review and advice, which is explained in the budget in considerable detail.

We are beginning to get some dividends from the additional people that you provided us in recent years. This means that we have got to assign responsibility for the review of legal actions further down the line in the Food and Drug Administration. We have to take steps that we did not have to take before and have decisions made by more people. So we expect to try to strengthen our organization in that area so that these decisions will be uniform and right.

INFORMATION SERVICES

We have found that the information services that we have been provided with have been of terrific value in preventing violations of the law. I think you perhaps saw some of our bulletins that we have sent to the farmers to tell them how to keep bugs out of their food and how to handle pesticides.

We have worked with the Department of Agriculture. We have worked some with the AMA. And we have found that we can prevent a lot of violations of the law by sending out more information about it.

MEAT INSPECTION

Mr. FOGARTY. Before I forget it, how much are we spending in Federal funds in the meat inspection program of the Department of Agriculture?

Mr. LARRICK. About \$23 million.

Mr. FOGARTY. Just that one item. What about poultry inspection?

Mr. HARVEY. Poultry inspection appropriation last year was about \$10 million.

Mr. FOGARTY. I thought it was more than that. Get the exact figures, will you, and supply them?

Mr. LARRICK. Yes, sir.

Mr. FOGARTY. I just want to get a comparison, that is all.

(The requested information follows:)

Following is information furnished FDA by the Department of Agriculture regarding 1961 and 1962 funds provided for poultry and meat inspection services:

	1961	1962	Change
Poultry inspection.....	\$11,662,700	\$13,117,061	+\$1,454,361
Meat inspection.....	21,562,000	23,306,199	+1,744,199
Total.....	33,224,700	36,423,260	+3,198,560

JUSTIFICATION MATERIAL ON INCREASES REQUESTED FOR 1963

Mr. FOGARTY. We will put the detailed justifications on this part of your increase in the record.

Mr. LARRICK. Yes.

(The justifications referred to follow:)

A. STAFF TO STRENGTHEN BASE PROGRAMS WHICH HAVE NOT CHANGED IN SCOPE OR TYPE OF COVERAGE SINCE THE FIRST CITIZENS' ADVISORY COMMITTEE STUDY

1962:		
Positions.....	1,110	
Amount.....	\$9,766,000	
1963:		
Positions.....	1,364	
Amount.....	\$11,492,200	
Increase:		
Positions.....	254	
Amount.....	\$1,726,200	

A total of 254 positions and \$1,726,200 is requested in 1963 to permit across-the-board strengthening of FDA programs which have not required substantial change out affected by population trends, advances in technology, and other changes and thus, in accordance with CAC recommendations, must be strengthened in order to provide adequate consumer protection. The 254 positions would be assigned to FDA activities as follows:

Activity	Positions	Amount
Field activities.....	130	\$879,200
Research and methodology.....	38	330,200
Compliance and enforcement review.....	12	97,300
Consumer and industry education.....	8	52,900
Federal-State relations.....	2	13,900
Medical activities.....	8	47,800
Program planning and appraisal.....	15	103,700
Administrative management.....	41	201,200
	254	1,726,200

The following programs will be affected by the increases:

Program	Positions	Amount
1. Management and administrative services.....	71	\$482,600
2. Foods research and standards.....	66	448,600
3. FDA workload census.....	31	210,700
4. Field supervision.....	28	190,300
5. Imports program.....	20	135,800
6. Staff for new pharmacological animal laboratory building.....	12	81,500
7. Enforcement review and advice.....	10	68,000
8. Consumer and industry information services.....	7	47,500
9. Medical information and reference services.....	5	34,000
10. Animal feeds.....	2	13,600
11. Cosmetics.....	2	13,600
Total.....	254	1,726,200

Food Research and Standards:

Positions	66
Amounts	\$448,600

A total of 66 positions and \$448,600 is requested for work in Washington and in the field on programs of food research and food standards. To keep pace with the rapid increases in volume and types of food products, especially precooked, frozen, and other "convenience" or ready-to-serve foods, additional staff is vitally needed. Changes in the technology of producing, processing, packaging and distributing foods have made FDA's food activities a major source of responsibility.

Food research: 16 positions

The 1963 budget will add 16 positions to work in five special food research areas essential to consumer protection, as follows:

1. *Fats and fatty acids: 1 position.*—An expansion of the modest program begun in 1960 to determine if fats and fatty acids, when used in cooking (particularly industrial cooking) or when used as ingredients in finished products, can be sources of harmful or deleterious substances. There is strong evidence that they can. This was dramatically brought to light about 3 years ago when a fatal chicken disease (chick edema) was traced to residues from industrial fat processing contained in specially prepared feeds. The exact poisonous substance in the residue is yet to be identified. A similar outbreak occurred early in 1961. In addition, several types of acids (derived from fats by the industrial process of fat splitting and distillation) have been found to contain toxic components. Further research in this area is necessary to shed more light on what could be a serious hidden source of danger in the Nation's food supply, especially since the ready-to-eat food industry has materially increased the use of fats and reheated fats in commercial cooking operations. The position requested will be assigned in Washington to FDA's on-going program.

2. *Decomposition: 3 positions.*—A second project related to food research will be to develop new methodology for the detection of decomposition in foods. Two approaches will be taken: (a) an exhaustive study of the metabolism of the types of bacteria known to occur in decomposing foods will be made and should lead to the discovery of a number of specific indicators of decomposition, and (b) analysis of the volatile components of decomposed food by sensitive gas chromatographic techniques will be undertaken as a means of identifying the foul-smelling products of putrefaction which are the obvious evidence of decomposition, and as a means of providing measurable scientific data for use in regulatory work. Investigational projects relating to decomposition in foods have, until now, largely been aimed at factory and laboratory studies to develop background data of industry practices. Now FDA is in serious need of fundamental laboratory, analytical investigations to develop techniques for the detection and estimation of decomposition.

3. *Food technology and analysis: five positions.*—A third project will be the development of food technology and analysis to (a) determine artificial flavors used in fruit drinks, (b) identify and evaluate toxic flavoring agents, (c) detect spent spices and other cheapening substitutes used as ingredients, and (d) determine watering in fruit juices and milk. The five positions requested are to supplement Washington Laboratory efforts in these important areas affecting the health and pocketbooks of the Nation's consumers.

4. *Special dietary foods: three positions.*—A fourth research endeavor is to develop basic information and identification techniques to protect consumers

against false claims in the area of special dietary foods. For example, many dietary supplements now offered to the public claim to contain both vitamins and minerals. Claims are made daily for the benefit of these minerals, and although it is believed that certain minerals are needed in trace amounts for adequate animal nutrition, research has not produced final conclusions with respect to the need for these trace minerals in human nutrition. More research is necessary to protect consumers against possible misleading claims or outright fraud in this area.

Other dietary foods about which more information is needed are those containing proteins. The American public, through advertising, has become sensitized to the word "protein." Many products have recently been placed upon the market with claims of increased protein content and quality and offered as being of particular value in reducing diets and in diets of convalescents. The problem of protein nutrition is complicated because proteins vary in their usefulness to the body depending upon the pattern of amino acids contained in them. In order for FDA to provide adequate protection to consumers, it must determine the usefulness of the protein not only in single foods but when consumed in the total diet. A small program in this area has been developed over the past year, and current trends in new foods and advertising claims justify accelerated study of this problem.

Another project which FDA will undertake in the area of dietary foods is to develop an applicable method of determining vitamin B₆ in food products. This is one of the water soluble vitamins, a type on which FDA has been working for many years. More effort is needed for this important vitamin. The three positions requested to work on these dietary foods projects will be in FDA's Washington laboratories.

5. *Bacteriological work: four positions.*—The fifth project related to foods entails the expansion of FDA's bacteriological work. Many new, as well as old, established firms are manufacturing or packing convenience, canned, dried or frozen ready-to-heat-and-eat foods. These foods are subject to undercooking, thawing, and mishandling in transit and, therefore, are susceptible to bacteriological contamination resulting in food poisoning. Such contamination constitutes adulteration under the Food, Drug, and Cosmetic Act. For this reason, FDA has embarked upon a program of special bacteriological inspections and examinations whereby bacteriologists accompany FDA inspectors to foodplants and made special studies of sanitation standards and controls employed by the manufacturers. Sources of contamination are carefully determined and observed, and, back in the laboratories, culture media are prepared from samples taken during the inspections. Microscopic counts are then made. This information helps FDA field districts to plan and conduct inspections of convenience foods plants and to evaluate inspections once they have been made. The data helps Washington to appraise new developments in the convenience foods industry, develop regulatory and enforcement actions, support court cases, and build up scientific information on contamination, frozen foods, and other food problems. The four positions requested, all bacteriologists, would be assigned to the field.

Food standards: 50 positions

The 1963 budget includes 50 positions to work on the establishment and enforcement of food standards. Of these jobs, 6 will be in Washington laboratories and 44 in the field. Because of insufficient resources, FDA has been able to make only token efforts in the area of food standards. Problems with direct health implications have, of necessity, been given first priority, and those essentially concerned with economic aspects, as in the case of food standards, have necessarily taken a back seat. The proposed 1963 increase for food standards represents the first serious attempt by FDA to strengthen its ability to protect consumers' pocketbooks as well as their health. Under law, FDA is responsible for both. Food standards are basic to truthful and revealing labeling. Without them, legal actions to correct many types of misbranding and various economic cheats cannot be supported in the Nation's courts. Standards, therefore, are most important to consumers and legitimate industries.

Under the Hale amendment of 1956 to the Food, Drug, and Cosmetic Act, FDA has the authority to establish or amend standards of (1) identity, (2) quality, and (3) fill of a container. Standards of identity prescribe the ingredients that must be in a product, list optional ingredients, set floors for the amounts of expensive ingredients a product must contain and ceilings for the amounts of cheap ingredients, etc. Standards of quality prescribe limits on the quantity

of extraneous material a product may contain (such as peels, plant stalks, etc.), set tolerances on the color of the product, prescribe uniformity of size for whole or cut ingredients, establish measures of starchiness, set tolerances on blemishes that the ingredients might have, etc. Standards of fill of container prescribe how much food should be in a container to provide a reasonable and honest proportion between the contents and the size of the container, require special label statements if the container is not filled to the prescribed standards, etc.

The Hale amendment permits FDA, the industry, or other interested parties to file food standards petitions. These are in the form of proposals for the establishment or modification of specific standards and are accompanied by supporting data. FDA, in the case of an industrial or private petition, has the job of carefully surveying the product and industry involved to make certain that supporting data are accurate and objectively submitted and that the proposed standard is sound. If FDA submits a petition of its own, this groundwork must precede it. Following this, the proposed standard is printed in the Federal Register with comments invited. These are studied and the original proposal, or a modification of it, is then printed in the Federal Register as an order. A period of 30 days is provided for filing objections calling for hearings in the event an industry or other party alleges that he will be adversely affected by the standard.

As a result of inadequate resources, FDA has been unable to initiate more than five standards since the Hale amendment of 1956, and it currently has a backlog of approximately 16 petitions submitted by industry. Practically no effort has been possible to reappraise old standards established 20 or more years ago. In fiscal year 1961, FDA was able to spend less than eight man-years in the field to work on the development of food standards. In Washington, little effort has been possible to develop scientific methodology needed to detect, identify, and measure various ingredients and substances in foods. Yet such methodology is necessary if proposals for standards are to be accurately appraised and if established standards are to be effectively enforced. Thus, only token attention has been given to this important area, and a host of products available to consumers still lacks standards of identity, quality, and fill of container.

The 50 positions requested for 1963 would inject the food standards program with resources permitting it, for the first time, to be more than a partial effort. Six of the new positions would work in Washington administratively evaluating proposals for standards and developing new methodology. Forty-four positions (18 inspectors, 18 scientists, and 8 supporting staff) would be in the field to plan, initiate, and complete investigations, inspections, and sample collections and analyses; to prepare authentic packs; to develop methodology for field use; and to provide more attention to enforcement of existing standards.

2. Management and administrative services:

Positions----- 71
Amount----- \$482,600

Seventy-one positions and \$482,600 are requested to provide management and administrative services necessary for the overall operation of the Food and Drug Administration. These positions would be assigned, as follows:

Activity	Positions	Amount
Supporting services-----	30	\$203,800
Programming-----	15	102,000
Management assistance-----	15	102,000
Data processing-----	7	47,600
Training-----	4	27,200
Total-----	71	482,600

Supporting services: 30 positions

The 30 positions requested for supporting services would provide the basic elements of support vital to the entire FDA program. These services include personnel employment, placement, and classification (four positions); graphic and art presentations (two positions); fiscal operations (five positions); procurement and property management (eight positions); regulatory records-keeping and maintenance (eight positions); space and facilities planning (one position); and forms and manual development and issuances (two positions). The

increases for these services represent 5 percent of the total 1963 FDA request of 600 new positions.

The increase is well justified by the workload. Based on turnover alone, it is estimated that 400 people will have to be recruited and processed by FDA's Personnel Branch in 1963. In addition, the 600 new positions requested in 1963 will also have to be recruited. This represents a total employment potential of about 1,000 employees, which in itself is a major workload. This is in addition to all other types of personnel actions—promotions, resignations, separations, transfers—which have to be processed concurrently with the recruitment program.

Similar workload increases are affecting all other administrative supporting functions. Over 113,000 items of general correspondence alone (excluding samples, legal actions, etc.) were handled by the records service in 1961, an increase of about 12,000 items over 1960. This workload is expected to continue to increase in 1962 and 1963. The procurement service handled 11,945 separate purchase orders and other transactions amounting to \$2,967,400 in 1961, as compared to 9,335 transactions amounting to \$1,937,000 in 1960. In 1963, with the purchase of equipment for the new FDA building and the Pharmacological Animal Laboratory at Beltsville, this workload will increase sharply. Similarly, the fiscal services have experienced increasing payroll and related workloads. An estimated 40,000 vouchers will have to be processed in 1962. This represents almost a 100 percent increase in 4 years. In 1958, 22,400 vouchers were handled. These workloads have grown in comparable fashion in all the administrative supporting areas of FDA. An increase in 1963 of 30 positions, therefore, is necessary to meet the overall requirements placed upon these activities.

Program planning: 15 positions

Fifteen new positions are requested in 1963 to strengthen FDA's efforts to develop and issue regulatory programs providing effective and uniform attention throughout the Nation to violations of the Food, Drug, and Cosmetic Act and related laws. Detailed planning is most essential for FDA to be able to control effectively violative and abusive practices. Regulatory programs furnish broad guidelines and direction to headquarters and field personnel and coordinate their work to achieve uniformity in the coverage of each industry or segment thereof within assigned geographical areas and with available manpower and other resources.

There is currently a large backlog of regulatory programs that need development. As a minimum, FDA should have programs in approximately 185 sub-project groups under the 39 broad commodity groups defined in FDA's reporting system. There are now only 81 such programs. And as new legislation and technological advances make FDA's mission more complex, the development of such programs requires greater effort and skills. The 1963 request would be a step toward providing such resources.

Concomitant with the development of programs is the need for scientific and administrative statistics to serve as the basis for planning. Intelligent planning and appraisal require accurate, current facts about work obligations, measures of compliance with the law, and how well the FDA staff is meeting the agency's responsibilities. In addition, statistics are needed in order to devise sampling plans, develop evidence for legal actions, evaluate scientific and other studies, and develop scientific testing techniques. The present statistical staff is unable to meet current demands for its services, and such demands will most assuredly increase sharply in 1962 and 1963. Of the 15 new positions requested, 10 (including 7 professionals) will be to strengthen FDA's statistical efforts.

Management support: 15 positions

Field: 5 positions.—Fifteen additional positions are requested to provide needed, close-working assistance to top management. Five of these would be in the field where larger district facilities and increasing workloads have resulted in new responsibilities and greater requirements for the district directors. Three of the positions will be deputy directors relieving the district directors of some of their present administrative workloads in order to meet the increasing demands to attend consumer and industry conferences, hearings, speaking engagements, meetings with cooperating State and city food and drug officials, etc. In addition, the deputy directors contribute direct assistance to managing district program operations which are becoming more diverse and complex as a result of new legislation and added workloads. FDA's goal is to have a deputy director in each of its 18 districts. The three requested for

1963, along with four budgeted for 1962, will provide seven districts with such positions. The other two positions requested for 1963 are food and drug officers needed to help handle the legal administrative operations of a district office, such as maintenance of liaison with U.S. attorneys and marshals, representing the district in court cases, etc. These two jobs would bring up to date a planned program to provide such positions to each district on the basis of its population and/or workload size: one for Atlanta, Boston, Dallas, Denver, Detroit, New Orleans, and Seattle; two for Baltimore, Buffalo, Cincinnati, Kansas City, Los Angeles, Minneapolis, Philadelphia, St. Louis, and San Francisco; three for Chicago; and four for New York.

Washington: 10 positions.—Ten of the 15 positions requested for management assistance would be assigned to Washington. Three of these would provide the Office of the Commissioner with staff needed to provide overall coordination and administration of new programs occasioned by recent legislation, such as hazardous substances and color additives. These additional responsibilities involve new administrative problems of considerable dimensions requiring additional attention from the very top. The seven other positions will be assigned to the top management of FDA's research activities (three positions), medical activities (three positions), and information-education activities (one position). These jobs will provide additional support to the directors of these activities in coping with increasing administrative and management problems and in meeting growing demands by consumer, industry, and congressional groups for their attendance at meetings, for lectures and talks, and for the preparation of data and other materials pertaining to their respective areas of operation.

Data processing: seven positions

In 1962 the Food and Drug Administration has funds for the rental of automatic data processing equipment. The computer will be used primarily as an aid to FDA scientists in the development and interpretation of laboratory data. For example, in repetitive experiments involving the use of animal colonies in the development of toxicological data, such as what constitutes lethal doses for specific substances, ingredients, or commodities. The computer will also be used to help solve the many intricate problems involved in color additive work and other scientific endeavors requiring calculations of a repetitive nature.

As an adjunct to regulatory enforcement operations, the computer will be useful in storing quantities of data found in inspection reports, obtained from sample analyses, and recorded in incidents of violation. These data are essential to determine levels of compliance among the industries subject to the act. Such data is also necessary in determining manufacturing and distributing trends in the commodities related to the act. The orderly storage and rapid retrieval of all the above data will be an enormous asset to FDA scientific endeavors and to the planning of regulatory programs.

Seven positions are requested in 1963 to serve as a basic nucleus for the computer program. This staff will be knowledgeable in mathematics, statistics, and computer-programing technology. They would study FDA's rapid data needs and determine the feasibility and practicability of adapting them to computer programs. The staff would then develop these programs to meet the demands of operating requirements.

In addition to these positions an amount of \$8,000 for special supplies is requested for 1963.

Training: four positions

For an expanding organization experiencing sharp increases in recruitment, and for an organization whose staff is essentially technical and whose operations deal mainly with scientific problems, training programs are of the first importance, not only to prepare new staff to perform their assigned responsibilities but also to keep experienced staff informed about the latest developments in their areas of endeavor.

In 1961 approximately 34,000 hours of training were received by FDA employees in programs consisting of formal courses, conferences, and other sessions. In addition, each new inspector and scientists in the field—in all about 300—were provided on-the-job training. In 1962 current plans will provide over 65,000 hours of formal training as well as on-the-job training for all new inspectors and chemists in the field. Despite this impressive performance there remain wide gaps in FDA's training program, especially in acquainting experienced employees with new techniques, methodology, and technology important to their work.

Two new positions are requested in 1963 to permit FDA to improve and expand its internal training activities in order to meet the challenges of a growing staff and rapidly moving advances in scientific techniques, technology, and methodology.

Another serious gap in training has been FDA's inability to meet growing requests by State and local food and drug officials for training programs and materials which they could use to improve their own operations. Most State and local organizations lack the expertise to develop such programs and materials. Yet, without this training they cannot utilize the full potential of their own statutory authority to protect consumers from harmful products moving intrastate. Two positions (a food and drug officer well acquainted with State programs and a secretary) are requested for 1963 to initiate a modest training program to serve State and local food and drug officials. These positions would be assigned to the Division of Federal-State Relations and act as liaison with State and local officials to determine their priority training needs. They would then work with FDA's training branch and provide technical content for the development of programs to meet these needs. Following this, they would administer the programs. Approximately 10 such programs are contemplated for 1963 if the new positions are made available.

In addition to the new positions requested, an increase of \$30,000 for training expenses (mostly to pay per diem and travel) is being requested.

3. FDA workload census:

Positions -----	31
Amount -----	\$210, 700

The Food and Drug Administration has never had a complete inventory of firms subject to the Food, Drug, and Cosmetic Act. At present only a partial inventory is available resulting from a survey of workload made in 1958, as well as from activities by field personnel in searching local telephone books and Dun & Bradstreet publications and in recording change observations during travel. FDA has never been able to make a systematic and exhaustive attempt to develop a precise and complete census. Yet, such an inventory is essential, first, to assure consumers that all firms making, processing, or distributing foods, drugs, and cosmetics moving in interstate commerce are meeting the requirements of the Food, Drug, and Cosmetic Act, and secondly, to provide FDA with accurate workload data necessary for more effective utilization of manpower in areas needing priority attention, for better overall planning, and for improved administrative bases for regulatory actions.

Arrangements have been made with another Government agency to obtain the names of all their listed firms in the food, drug, and cosmetic fields. These listings, coupled with FDA's present partial inventory, should account for the vast majority of such firms. Inspections, however, will be necessary to determine the exact regulatory obligation each firm will represent to FDA. The inspection will evaluate sanitation, the degree of production and quality controls utilized, the type and quality of ingredients used, the food and color additives entering the product or products, the proportion of total products moving in interstate commerce, and the firm's most important out-of-State markets. Such information is essential for planning the extent of coverage which should be maintained for consumer protection.

All 31 positions requested for this project will be in the field. Eleven of them will be inspectors who will make the followup inspections without cutting drastically into regular program operations. Twenty positions will be clerks assigned to each of FDA's district offices to (1) correlate and organize source materials, (2) establish and maintain adequate and complete records of firms and coverage, and (3) process statistical studies of compliance to provide bases for work planning and regulatory actions.

FDA estimates that the census should be completed in fiscal year 1964, provided that additional positions are acquired in 1963 and 1964.

4. Improved field supervision:

Positions -----	28
Amount -----	\$190, 300

In its 1959 study of FDA's field operations, the management consultant firm of McKinsey & Co. recommended the establishment of additional supervisory levels of both inspectors and chemists. They recommended 1 supervisory inspector for groups of 12, and 1 supervisory chemist for groups of 10. Since then FDA has been striving to attain these goals.

In 1963, 16 supervisory inspectors and 12 supervisory chemists would be added. The development of this program and where the proposed 1963 increases would place it is shown in the following table:

	1961	1962	1963
Inspectors:			
1. Number of operating inspectors budgeted.....	562	578	696
2. Number of supervisors recommended by McKinsey....	47	48	58
3. Number of supervisors budgeted.....	27	41	57
4. Deficiency (2-3).....	20	7	1
5. Actual ratio: Supervisors to inspectors.....	1:21	1:14	1:12
Chemists:			
1. Number of operating chemists budgeted.....	346	397	535
2. Number of supervisors recommended by McKinsey....	35	40	54
3. Number of supervisors budgeted.....	24	36	48
4. Deficiency (2-3).....	11	4	6
5. Actual ratio: Supervisors to chemists.....	1:14	1:11	1:11

5. Imports program :

Positions.....	20
Amount.....	\$135, 800

In 1963, the Food and Drug Administration plans to start giving a new look to an area of responsibility which has never received the degree of attention it deserves; namely, foreign imports. Under law, FDA has the same job of protecting consumers against harmful imports of foods, drugs, and cosmetics as it does against harmful domestic products. But FDA has never been able to devote more than minimal efforts to this important task. In fiscal year 1961, FDA was able to assign 34 field inspectors and 34 field chemists to import work. This manpower collected 14,502 samples, made 7,178 on-the-spot wharf examinations, and made laboratory analyses of 9,244 samples. These are only token efforts when considered in light of the estimated \$6 billion worth of imports under FDA jurisdiction which enter the United States annually. It is estimated that each year 360,000 shipments of foods, drugs, and cosmetics enter the United States. FDA efforts cover only about 6 percent of these. Yet, as a result of the 9,244 samples analyzed and the 7,178 wharf examinations made in 1961, 5,077 import detentions were made because of violations of the Food, Drug, and Cosmetic Act. In other words, nearly one out of three laboratory or wharf examinations made of imported foods, drugs, and cosmetics uncovered violations of the act. This indicates a need for giving the growing importation of foreign products more attention; not only to provide adequate protection to American consumers, but also to protect legitimate American industry against unfair foreign competition. No increases for this program were provided in 1962.

The 20 new positions requested for 1963 would provide a forward step in the direction of making FDA's import program a bona fide regulatory program rather than the service it now represents. Of the 20 positions, 18 will be in the field—5 inspectors, 9 scientists, and 4 supporting laboratory and clerical staff. These positions would permit an estimated 16,000 samples to be collected, 10,000 samples to be analyzed, and 8,000 wharf examinations to be made. Thus, the program would be given moderate bolstering. Naturally these new positions would contribute even more in 1964 because of training and full-year operation. The new inspectors requested would double the import inspectional staffs now in Chicago, Los Angeles, and San Francisco and would mean two new positions for New York City.

In addition to the 18 positions added to the field, 2 would be added to Washington staff responsible for the review, processing, and development of regulatory actions against violative imports. This would be the first time that staff was specifically assigned to concentrate on this phase of FDA's regulatory program. By their nature, import actions are often involved and complicated and require much time and effort. As an adjunct to an improved field import

program, therefore, Washington's Bureau of Enforcement must have the staff capable of giving increased attention to the regulatory aspects of such a program.

6. Staff for new pharmacological animal laboratory building :

Positions_____	12
Amount_____	\$81,500

In 1962 funds were obtained for the construction of a special pharmacological animal laboratory building (SPAL) at Beltsville, Md. This facility will permit FDA, for the first time, to conduct all of its toxicity tests requiring the use of dogs in an environment conducive to maximum scientific efficiency and to the most humane animal care possible. For years such tests have necessarily been conducted in crowded and antiquated facilities. Yet, these tests are basic to determine the toxicity of food and color additives, as well as other ingredients and substances in foods, drugs, or cosmetics.

Progress has been made on the design of SPAL, indicating that at least part of the planned staff of 35 scientists and supporting personnel must be available during fiscal year 1963. All of FDA's staff (about eight) now working in Washington on tests involving dogs will be transferred to the new Beltsville facility. They, along with the 12 positions requested for 1963, will serve as a nucleus trained and ready to begin operations in SPAL as soon as possible after the facility is completed. Of the 12 positions, 4 would be professional scientists (2 pharmacologists, 1 veterinarian, and 1 hematologist), 1 would be a statistician, 2 would be laboratory technicians, 4 would be animal caretakers, and 1 would be a secretary.

7. Enforcement review and advice :

Positions_____	10
Amount_____	\$68,000

Amendments to food and drug laws and increases in the field activities of the Food and Drug Administration are demanding corresponding increases in enforcement activities. In the best interests of the consumer and to deter potential violators from attempting to break the law it is essential to reduce delays between the time violations are discovered and the time legal actions are instituted. FDA must be in a position to deal quickly with serious violations of law that involve danger to health, fraud, and cheats. It is also important that FDA have the manpower to insure that regulatory actions, once begun, are carried through to completion.

Closely connected with inspectional and analytical work in the field is the review of inspection reports and other field documents requesting advice about enforcement actions. Some examples of documents from the field requiring review are those concerned with establishment inspections and special investigations of over-the-counter prescription drug sales, and investigations of lectures and spielers in the area of medical and nutritional quackery. During fiscal year 1963, approximately 12,000 documents will require review for advice to the districts about future regulatory activities.

Activities included in the broad area of enforcement review and advice are (1) processing, approving, and monitoring all legal actions whether they be seizures, citations, injunctions, or prosecutions; (2) preparing supporting data for court cases; (3) conducting hearings; (4) rendering administrative interpretations of the law; and (5) consulting with regulated industries to encourage and promote voluntary compliance. The work of the Bureau of Enforcement is characterized by two approaches; (1) To assist regulated industries by informing them of policies and interpretations of law, and (2) to take strong regulatory actions against products, firms, and individuals that violate the law. As the enforcement activities increase and new responsibilities are added, the number of regulatory actions requiring review, evaluation, and processing will increase proportionately.

Workload and emphasis in the area of enforcement are changing quickly. The workload is rapidly becoming heavier; and much greater emphasis is being placed on such complex and scientifically technical problems as drugs, pesticides, food additives, color additives, and hazardous substances. This means that the chemist in the laboratory, as well as the inspector, is now a primary contributor of evidence leading to the instigation of actions. They help keep pace with the increasing workload, to help cut delays and the backlog of enforcement actions

and review, and to implement the programs described above, six professional and four supporting personnel are requested for fiscal year 1963.

8. Consumer and industry information service:

Positions-----	7
Amount-----	\$47,500

All of the independent studies of the overall needs and deficiencies of the FDA have emphasized the need for more consumer and industry information and education activities. Each inquiry received by FDA from a consumer and manufacturer is an educational opportunity, and it is evident from a limited analysis that a single inquiry often reflects the questions or views of a much larger group. The promptness and helpfulness of replies to inquiries from consumers is an important adjunct to FDA's regulatory duties, because the best-informed consumer needs the least protection. Informing consumers, for example, helps to cut down the market for quackery and fraud and to decrease economic losses in these areas.

Industry informational efforts include such services as news releases for the trade press, distribution of Federal Register material, preparation of special publications, and reports for industrial trade associations. The purpose of providing informational services to regulated industries is to help them understand the law, regulations, and FDA's policies in order to stimulate voluntary self-policing. Careful attention and expanded efforts here make the enforcement dollar stretch farther and can save countless dollars by preventing violations that require expensive litigation. Industrial and trade associations are eager to cooperate in informational services. FDA must form and maintain cooperative working relationships with them and must be able to furnish basic materials interpreting the law and enforcement policies.

Increases in fieldwork and regulatory actions, as well as added responsibilities occasioned by recent new and technical legislation have considerably augmented FDA's information and education workload. Growing demands for speeches and technical papers have placed serious burdens on editorial services (218 such papers and speeches were worked on in 1961). Likewise, inquiries from consumers and industry have been increasing steadily. Many of them involve recent new and complex legislative amendments (food and color amendments) and laws (Federal Hazardous Substances Labeling Act) and require technical data which takes time to prepare and great care to present clearly for the understanding of the layman. In 1961 FDA received approximately 15,000 inquiries. In addition, FDA increased its consumer-industry mailing list by 5,379 in 1961 to bring the total to over 24,800. At the same time, over 20,000 telephone inquiries had to be answered.

It has been evident for some time that in order for FDA to pay more than lipservice to its statutory responsibilities to keep the American public and the regulated industries informed in matters pertaining to the Food, Drug, and Cosmetic Act, its staff assigned to this mission would have to increase at least in proportion to other program areas. The Citizens Advisory Committee of 1955 recommended this, as did the Kendall committee study of 1960.

The seven positions (four professional and three supporting) requested for 1963 will implement these recommendations and help sustain FDA's informational and educational efforts at a time when its operations and responsibilities are expanding as a result of new staff, changes in the law, growth of population, and advances in the Nation's economy and technology.

9. Medical information and reference services:

Positions-----	5
Amount-----	\$34,000

There are several areas of FDA operation where the availability of medical data is essential for sound decisions and action. For example, in processing new drug applications or deciding on modifications to already approved drugs, the medical staff is greatly dependent on data obtained from published materials which might shed light on the drugs themselves, their ingredients, their clinical experience, the controls used in their manufacture, etc. This same information is necessary when reviewing labels for drugs. Likewise, in reviewing inspection reports covering drugs, therapeutic devices, hazardous substances, or other medical products preparatory to advising on legal actions, FDA's medical officers must have available as much of the literature pertaining to the particular commodities in question as possible in order to appraise the reports

accurately. In similar vein, when FDA does take a legal action with respect to a certain product it is important that it have available all the literature on that product in order to provide the Government's attorneys with effective support for their cases.

FDA's needs for medical information extend to all drugs and therapeutic devices, human and veterinary, to cosmetics, and to substances found in hazardous household products. Medical advice will be increasingly important as FDA begins to meet this latest responsibility. In every way, demands for medical information have grown. This is a natural development as enforcement of the Food, Drug, and Cosmetic Act becomes more complex and technically demanding and as FDA operations expand.

FDA itself accumulates a considerable quantity of literature. This must be indexed and maintained in a manner rendering it easily accessible. However, FDA must rely primarily on outside sources for the medical data it requires. These sources consist of public and private libraries, research organizations, and trade associations in the Washington, D.C., area. For these sources to serve any utility, however, special indexes must be developed and appropriate liaison established. Much research of a library nature is needed to develop such indexes, and considerable effort is essential to maintain the reference service capable of extracting needed data as soon as it is needed. FDA at present lacks the staff to provide such services. Consequently, much information is either unavailable when needed or must be researched and extracted by professionals whose time would be much more valuably spent in other pursuits requiring their special skills and talents.

The five positions requested for 1963 will permit FDA to strengthen its present skeleton staff working in this important area to a degree permitting the agency to begin to develop a sound and effective medical research and reference service.

10. Animal feeds:

Positions-----	2
Amount-----	\$13, 600

The incidence of animal feeds contaminated with noxious weed seeds has been increasing. This is primarily because of the greater use of automatic harvesting equipment for grain crops. Formerly, when more handwork was used in harvesting grains, weeds could be identified and removed before the grains were harvested. But the automatic equipment used now is not so selective and noxious weeds can be harvested simultaneously with grains. These weeds can then find their way into animal feeds. As an example, toxic *crotalaria* seeds are often harvested with soybeans. Because soybeans are often cracked before going into animal feeds, and because *crotalaria* seeds are about the same size as cracked soybeans, the two are sometimes found together in feeds. Other noxious weeds that are harvested with grains are Jimson weed and morning glory. These have become a serious problem in certain areas.

At present there is no reliable information about the exact degree to which various weed seeds are toxic. Therefore, safety tolerances establishing quantities of the weed seeds permissible in marketed grains cannot be established. To complicate this study the degree of toxicity of poisonous weed seeds varies depending on such factors as rainfall and fertility of the soil. This lack of tolerance makes enforcement of the law most difficult.

In 1964 FDA plans a research project on this problem which will have as its main objectives:

1. Isolation and characterization of these toxic compounds, and the determination of their metabolism in animals.
2. Study of how much of these toxic compounds are required to poison an animal.
3. Determination of where these compounds are distributed in the important organs of animals that eat feeds contaminated by such weeds.
4. Search for antidotes or therapy that might be used to counteract these compounds in animals.

Another study connected with animal feeds planned for 1963 is a program to develop methods and to locate the source of food poisoning (salmonellosis) in domestic animals. The usual animal feeds, such as fish meal, will be studied to isolate or detect food-poisoning organisms and to develop appropriate methods of isolation and detection.

Two professional positions are requested to carry out the programs discussed above. These programs are both for protection of domestic food animals and for protection of the consumer of these animals.

11. Cosmetics program :

Positions-----	2
Amount-----	\$13,600

Cosmetics today represent an industry with annual sales of about \$2 billion. Indications point to the continual growth of the industry with the consequent development of new cosmetics and constant changes in the old.

There are two basic consumer problems in this area. First, there is the possibility that cosmetics might contained untested, unsafe ingredients resulting in physical injury to consumers. Secondly, there is the problem of economic cheats; false claims and the use of substandard ingredients which can hurt both consumers' pocketbooks and health. To cope with these problems it is necessary to have methods of analysis to detect and identify ingredients of unknown safety or value. Such methods are mandatory if FDA is to keep pace with the rapid and ever-changing developments in the cosmetics industry. It is also necessary to investigate consumer injury complaints. Such complaints have increased sharply because more and more consumers are able to afford cosmetics and a greater variety of cosmetics are available to them. FDA should have adequate resources to investigate and deal with injury complaints and it should also initiate action in this area without relying on the stimulus of complaints alone.

The present staff is insufficient to develop the methods necessary to detect and analyze the many new cosmetic ingredients or to investigate an adequate number of consumer injury complaints and thus provide adequate protection for the users of cosmetics. It is proposed that two new scientific positions be added to help supplement present efforts.

PHARMACOLOGICAL LABORATORY

Mr. CARDWELL. Could we make a comment about the staff at the new pharmacological laboratory?

As Mr. Larrick indicated, we will establish in 1963 the nucleus for that operation.

Mr. FOGARTY. Even though the building might not be completed?

Mr. CARDWELL. Even though the building might not be completed. I want to emphasize that. The building is running behind schedule. We do think we can recruit staff and train them and gain some lead-time on the actual operation.

Mr. FOGARTY. All right.

FOOD STANDARDS

Now, you say on page 32, in connection with food standards, that this increase represents the first serious attempt to strengthen this activity. How serious would it be if we did not build this up?

Mr. LARRICK. Well, competition in this country being what it is, in my judgment, if you had no food standards program, you would gradually force the quality of our foodstuffs down and down. The history of food standards is that when competition gets hot enough, somebody in the group decides he will make this food by using cheaper ingredients.

Mr. FOGARTY. That is when they start cutting corners.

Mr. LARRICK. That is when they start cutting corners. And if you are in the business and your competitors are cutting corners, you either cut corners or you are finished.

The effect on the consumer, of course, is very obvious. He gets poor food supplies.

The initiative in the food standards field pretty well got out of our hands, because we are required by the statute to file a standard proposal offered by industry. We have to act on it; we have to provide an opportunity for a hearing. And there were so many proposals that came to us from industry that there was neither money nor facilities left for us to take the ball in our own hands and make standards proposals of our own.

But now we are beginning to get into this area.

Mr. FOGARTY. Are you satisfied you are going fast enough?

Mr. LARRICK. No.

Mr. FOGARTY. Well, what would you like to do?

AVAILABILITY OF TRAINED PEOPLE

Mr. LARRICK. I would like to move ahead in this field. We cannot go faster than we can get new people, but—people trained.

Mr. FOGARTY. Let us talk about that area, then, about how many people you can get. How much faster can you go than his budget allows?

Mr. LARRICK. Well, we could go faster than with the staff we now have working on food standards.

Mr. FOGARTY. How many people do you have?

Mr. LARRICK. We now have about 13. We would have 50 new positions with this 1963 budget. This is quite a substantial increase over anything we had in recent years.

Mr. FOGARTY. And you could go up to 100 and recruit trained people?

Mr. LARRICK. Yes. We would not grind out food standards immediately. We would build the basic data. We would send out inspectors over the country to find out what present food compositions are, to get a mass of detail, and at the same time we would carry on the training.

Mr. CARDWELL. The 1963 budget should give us a maximum of 63 people working in this area.

Mr. FOGARTY. You could use about 50 more if you had the money?

Mr. LARRICK. That is right.

Now, this is the sort of thing that I hope this Citizens' Advisory Committee will take a look at in the future.

Mr. FOGARTY. The people, the consumers, are who you are supposed to be looking out for. They really get their money's worth out of this, do they not?

Mr. LARRICK. They do, indeed.

Mr. FOGARTY. What we spend in this area will come back tenfold or a hundredfold; will it not, to the consumers in 3 years or 5 years from now?

Mr. LARRICK. In the money that the consumer will save.

Mr. HARVEY. What we have been doing, at present, Mr. Chairman, is fielding the ball. Any manufacturer that has an idea for a standard has the right to make the proposals, and we have to go through all the processes. And this is just simply using up everything we have in this area. So, as Mr. Larrick indicates, any initiative, any development of a broad-gage program of going forward with this standard-making and enforcement, we have not had an opportunity to do. This is what we have got to get down to.

Mr. FOGARTY. And this will eventually be money in the pockets of the consumer?

Mr. HARVEY. It pays for itself many, many times.

Mr. LARRICK. And the farmer and everybody else. If a firm is making a product out of a farm commodity and they should use 70 percent of the farm product in the commodity, and they do not, the standard goes down and down and down—just by practice in the commercial industry. And they use less of the farm-grown commodity; the farmer loses and the consumer loses.

We had that situation with jams and jellies, where the amount of fruit that they were using began to go down. And we came into the picture and made standards for jams and jellies and went back—

Mr. FOGARTY. This would be helping the farmer, then, in examples like that?

Mr. LARRICK. That is right.

Mr. HARVEY. But it has a quality factor, too.

Mr. FOGARTY. Yes.

Mr. HARVEY. You take peanut butter, for example. Peanut butter originally was ground-up peanuts with salt mixed so it would spread; and peanut butter got down as low as 70 or 75 percent peanuts with other different kinds of oils and additives, and so forth, mixed in it. It is not a health problem; it is an identity problem. What is peanut butter now? If it goes down to 70 percent, maybe it could go to 60; maybe that would spread smoother and stick to the mouth less; we do not know. These are the things we want to get straightened out.

INDUSTRY INVENTORY

Mr. FOGARTY. You have \$210,700 in this part of your request for a "survey of workload," and indicate it will not be completed until 1964. Is that right?

Mr. LARRICK. That is right.

Mr. FOGARTY. If we gave you more people—

Mr. LARRICK. The 1963 budget would not complete the whole job in 1963; but it would provide the staff to complete it in 1964, would it not?

Mr. CARDWELL. Yes, sir. This staff should permit us to complete the assignment by 1964.

Mr. KELLY. As we proceed with it, though, it is serving a very useful purpose. It is giving each district office an actual inventory of the areas for which they are responsible, so even though not complete, it is serving a useful purpose.

Mr. LARRICK. That is right.

Mr. KELLY. But we are directing our efforts to bringing it up to 100 percent of inventory of those organizations for which the Food and Drug Administration has the responsibility for regulation.

Mr. LARRICK. That is correct.

Mr. FOGARTY. How would this effect their timetable if we gave you 50 more positions in 1963?

Mr. CARDWELL. There is a limit to the rate at which you can develop this program, because of the planning that is required. We are now in the midst of establishing guidelines for issuance to the districts which they can follow in making the actual visits that will sometimes

have to be made to a plant or a firm in order to confirm and determine whether or not they are truly subject to our jurisdiction.

Mr. LARRICK. Mr. Grey, how many people did you ask for initially? Do you recall when we started the plan?

Mr. GREY. In the industry inventory program, 58, I believe it was.

Mr. CARDWELL. Fifty-four.

Mr. GREY. Fifty-four.

EXTENT OF COVERAGE OF FIRMS UNDER FDA JURISDICTION

Mr. FOGARTY. But you cannot even take care of the workload you have now with the personnel you have.

Mr. CARDWELL. That is true. This is a question of taking a census, in effect.

Mr. FOGARTY. What percentage of the workload are you really taking care of, percentagewise?

Mr. LARRICK. Let me see, on the basis of our 1962 budget, we have gotten down to the point where, on the average we covered the plants how often?

Mr. CARDWELL. Once every 3-plus years; and 1963 would take around—

Mr. FOGARTY. Can you cover them all once in every 3½ years?

Mr. CARDWELL. With the 1963 budget we should be able to, yes, sir. The question here is whether or not our estimate of the number of firms that are subject to our jurisdiction is accurate. Based on the present estimate of 105,000 firms, we are down now to about an inspection, on the average, of once every 3½ years. By 1963, the end of 1963, we hope to take this down to 2.9.

Now, if the inventory shows that we have understated the total workload, then our reporting this cycle will climb back up again. This is something we want to determine once and for all.

NEED FOR MORE FREQUENT INSPECTIONS

Mr. LARRICK. There are some things, though, about this figure that ought to be explained. I am not sure I have ever made this clear.

When we say that we have gotten to this drug house, let us say, once every 3-plus years, that does not mean that once every 3-plus years we have really given that firm a complete coverage; because a pharmaceutical house with 400 items in their line will have many items that they only manufacture twice a year. You will be very fortunate if you just happen to get there at the time when they were making those items. So if you were going to really cover this firm and see every one of their important items, actually see it made, you would have to be in that firm several times every year.

Now, that is true to a certain extent in the food industry, where they will have seasonal items. They freeze orange juice at a certain time every year, and if the plant will permit, they will manufacture other items from commodities that are shipped into their factory at other times of the year.

So once we can get a respectable inspectional coverage of once a year, then we are going to try to increase that beyond once a year, because of this factor that I just stated to you.

Mr. HARVEY. Mr. Chairman, if I may make one comment on this census, which I think will be responsive to a question you asked?

Mr. FOGARTY. Go ahead.

Mr. HARVEY. If we have more people to do it, we can get it done much quicker. And it is very important that we get to a base line. If we get these names—primarily, those that we do not now know—they are just names, and of course they can be refined a great deal. It does not mean you have to go and look at every one of them. But there are a vast number of them that you cannot clear up without some form of physical inspection. And until we get that job done—and then, of course, there are—what is it, 5,000 births of new establishments every year, or something of the kind. We would have to keep up with births. But once we can get this total mass which is partially unknown to us, get it classified as obligation or no obligation, or what class of obligation, then we have a base to work from, we have a base to talk to you from, to talk to the Bureau of the Budget from, of facts which we still lack.

So the quicker that we can get the census of manufacturers completed, the sounder basis on which we are going to be operating.

IMPORTS PROGRAM

Mr. FOGARTY. With regard to the imports program, and I notice on page 41 you say that, “* * * \$6 billion worth of imports under FDA jurisdiction * * * enter the USA annually.” And you estimate that—

* * * each year 360,000 shipments of foods, drugs, and cosmetics enter the United States. FDA efforts cover only about 6 percent of these.

Is that all you can cover?

Mr. LARRICK. That is right.

Mr. FOGARTY (reading):

Yet, as a result of the 9,244 samples analyzed and the 7,178 wharf examinations made in 1961, 5,077 import detentions were made because of violations of the Food, Drug, and Cosmetics Act. In other words, nearly one out of three laboratory or wharf examinations made of imported foods, drugs, and cosmetics uncovered violations of the act.

Thirty percent of them?

Mr. HARVEY. That is right, Mr. Chairman. But I think it is fair to say—

Mr. FOGARTY. Are you only covering 6 percent?

Mr. HARVEY. We are dealing with foreign products. A relatively high percentage of these are labelling problems and adulteration problems.

Mr. LARRICK. But there are a substantial number of adulteration problems.

Mr. HARVEY. Oh, yes; I do not mean to play it down.

But I think it is only fair to make that point, because they are foreign products, the labelling problems are great.

Mr. FOGARTY. Supply for the record some examples of these other problems, not the labelling.

Mr. HARVEY. I do not want to emphasize it, but I want to make it a fair statement.

Mr. FOGARTY. I think that is important, too; but I think the other is maybe more important.

Mr. LARRICK. And the labelling problems are pretty serious when they are talking about medicines for diseases the medicines won't cure. (The requested information follows:)

EXAMPLES OF FDA IMPORT DETENTIONS

In the past year, the Food and Drug Administration has found it necessary to detain numerous importations for adulterations of one kind or another. Examples of these include (1) the detention of over 3 million pounds of green coffee with gross internal insect infestation or containing rodent excreta pellets, (2) approximately $\frac{1}{2}$ million pounds of fish containing encysted worms, (3) over 3 million pounds of tomato paste made from partially decomposed tomatoes, (4) nearly 4 million pounds of refined sugar from an insect-infested ship, and (5) several hundred thousand pounds of coconut contaminated with salmonella organisms, which are associated with food poisoning and other illnesses.

ENFORCEMENT OF NEW LEGISLATION

Mr. FOGARTY. Now, your next increase is \$2,351,800 for "staff to provide new approaches to special problems and to enforce new legislation."

You told us something about it, but give me a little more detail. Tell us what that would be used for and why you think it is necessary.

PESTICIDES

Mr. LARRICK. Well, you are familiar with the pesticide amendment and the money you have given us to enforce that. In fact, new poisons are being added all the time to the class of products that are used to spray on fruits and vegetables. We want to increase the coverage on a sampling basis to at least 1 percent of the shipments that move in interstate commerce. The money sought this year would bring that percentage figure up to 1 percent.

Now, there are two ways of approaching this pesticide program. We would like to use both of them.

One is the inspection technique where we go out to the county agents; we go to the people that sell these sprays and whatnots to the farmers; we go into the area and see what the bug problems are, and we try to spot the areas where there is likely to be an excess of the poisonous spray because of some special agricultural problem in that area.

And we want to supplement that by this program of sampling that I have spoken of. The 1963 budget would permit us to increase the sampling to 1 percent. And to some extent we would be able to make more visits to the county agents and the sellers of the pesticides and the State enforcement people so we can do a better job in that area.

Now, on drugs—we have spoken of it to a certain extent, but we know from this survey we have made this year—

Mr. FOGARTY. Mr. Larrick, you say on page 50:

There were only six primary chemicals used as pesticides prior to 1940.

Is that all?

Mr. LARRICK. That is right.

Mr. FOGARTY (reading):

Today, as a result of revolutionary changes occurring in the chemical industry since World War II, there are over 200 such chemicals used in approximately 45,000 different preparations.

Mr. LARRICK. That is right.

Mr. FOGARTY (reading):

An estimated 600 million pounds of agricultural chemicals are used annually by over 2 million farmers on every food crop grown in the United States. Many of these chemicals are excessively toxic and, unless used with care, can remain as seriously harmful residues in fresh fruits and vegetables moving in interstate commerce.

Is there not anything grown today that is not treated in some way?

Mr. LARRICK. Yes; there are some things; but they are certainly in a minority.

You cannot engage in agriculture successfully today and not make use of the modern advances. You just could not compete. People would not buy your apples if you have wormholes in them. And you have to use these chemicals to be successful.

We do not object to the use of them, just so they are used properly. The amounts found on the product should be within the limits that we have established as safe.

Mr. GREY. If I may say so, too, Mr. Chairman, there is another problem there that gives us some concern. The modern method of application of these pesticides, particularly in large areas, is by airplane, and there can be a drift that may contaminate adjacent crops where they never intended to use it at all.

Mr. FOGARTY. You have not had any cranberry fiascos recently, have you?

Mr. LARRICK. We have had no cranberry trouble.

Mr. FOGARTY. I never did think that was your responsibility anyway, for all that publicity.

You started to say something about chemicals, I think, when I interrupted you.

Mr. LARRICK. These chemicals that we use in the agricultural sprays and dust are largely a result of the chemical warfare research that had been done during the war.

EXTENT OF SAMPLING INTERSTATE SHIPMENTS OF FOOD

Mr. FOGARTY. On the next page, I was surprised to find that there are 2½ million interstate shipments of food crops on which agricultural chemicals have been used in some manner.

Mr. LARRICK. Right.

Mr. FOGARTY. Are you able to keep up with that sort of a load?

Mr. LARRICK. No; but we will come closer if we get this money.

Mr. FOGARTY. It is spot-checking it, is that all?

Mr. LARRICK. It is spot-checking.

Mr. FOGARTY. You say:

In order for FDA to be able to determine the degree to which tolerances are being violated and to evaluate the true and current extent of this consumer problem, at least 1 percent of these interstate shipments should be sampled and analyzed.

At least 1 percent. What part of 1 percent are you analyzing now?

Mr. LARRICK. About one-half of 1 percent.

Mr. FOGARTY. Is that all you are doing?

Mr. CARDWELL. Well, actually, today we are doing less than that. With our present staff resources, once it is trained and fully effective, we will be at a level of about one-half of 1 percent.

Mr. FOGARTY. During fiscal year 1962, you will have had—

sufficient resources to permit the sampling of approximately 8,500 interstate shipments of food crops which have been treated with agricultural chemicals. This is one-third of 1 percent of the total shipments.

Mr. LARRICK. You see, the difference there between the one-half and the one-third is that, with the people we get on the rolls in 1962 we will reach a level of one-third coverage. If we had them for a full year, we could attain a one-half coverage. Is that right?

Mr. CARDWELL. Yes.

Mr. LARRICK. It would have been one-half of 1 percent.

In other words, you have given us enough people in 1962 so that, if they are employed for a full year, we will have one-half of a full percent coverage. We are now asking for enough additional staff so that, when they work a full year, they will cover 1 percent of the 2,500,000 interstate shipments.

Mr. FOGARTY. You were going on to something else when I interrupted you.

RESEARCH

Mr. LARRICK. I would like to point out that, in this pesticide area, it is essential that you have research, because sometimes they apply more than one pesticide to a single crop. Sometimes the one pesticide that is applied interferes with the analysis of the other one. So you have to improve your analytical methods so you can detect them both.

And then there are all manners of opportunities to speed these tests up, to try to get the State and city laboratories working with us, and to do that, we have to perfect simpler methods and quicker methods for their use. For these reasons, we are asking for more money for research.

WORK WITH DEPARTMENT OF AGRICULTURE

Mr. FOGARTY. How are you working with the Department of Agriculture in this particular area? Do you get along with them all right?

Mr. LARRICK. Yes, I would say we do.

Mr. FOGARTY. Is there any duplication that could be eliminated?

Mr. LARRICK. No, we are very anxious to avoid duplication.

We have now an interdepartmental committee that involves Agriculture and us, and Fish and Wildlife Service, and maybe some others. We get together and try to work out agreeable programs dealing with fire-ants, gypsy moths, and other large USDA programs where we have an interest; because if the pesticides used miss their mark and get on food crops, we have a problem and Fish and Wildlife has a problem if it is used in such a fashion that it hurts wildlife.

So we have worked out a cooperative program there.

Then I should say that the Extension Service and the FDA have for years worked together very nicely. We have published documents together. They pay half and we pay half. And they undertake the cost of distributing this to millions of farmers.

And I should say that, by and large—go ahead, sir.

SUPERVISION OF THE USE OF PESTICIDES

Mr. MARSHALL. The question came to my mind when you were covering this subject in connection with agricultural commodities,

who determines the amount of pesticides and the use of it in commodities after they leave the farm and go into processing, storage, and so on?

Mr. LARRICK. You mean how much is there, or how much there should be?

Mr. MARSHALL. Do you supervise that?

Mr. LARRICK. Yes, by sampling.

Mr. MARSHALL. How do you get at that problem?

Mr. LARRICK. Well, there are two ways.

Mr. FOGARTY. Give an example.

Mr. LARRICK. All right.

Here are three carloads of lettuce grown in California and shipped to a chainstore in Newark, N.J. Our inspector on the west coast, for some reason or other has reason to think that the lettuce was produced under conditions likely to result in an excess of spray residue.

So either that inspector in California, or some inspector en route, or the inspector at destination will take samples from all three of those cars, the ends of the cars, the middle of the cars, and so on. Those samples will be rushed to our laboratory.

In the meantime, since we have no evidence that they are contaminated, we may ask the chainstore to please hold that lettuce until we finish our analysis. We rush that sample to the laboratory, they put it though a comprehensive chemical analysis. If it is over the tolerance, we go to the U.S. attorney in the jurisdiction where the lettuce is being held, and the U.S. court issues a monition, and the U.S. marshal attaches that lettuce.

Then we sit down with the people, if they ask us to, and they usually do, and we try to figure out some way that the lettuce can be salvaged. Often if you strip off the outer leaves and destroy them and make another analysis, you find that the remainder of the lettuce can be saved.

And that is what I am talking about. We want to get up to the point where we are sampling a minimum of 1 percent; 1 sample out of each 100 shipments that move forward.

Mr. HARVEY. To go back, Mr. Chairman, I wonder if Mr. Marshall's question includes getting the pesticide on the market and how tolerances are established for it.

Mr. FOGARTY. I think he wanted that answered, too; did you not?

Mr. MARSHALL. That is right.

Mr. HARVEY. The way that works, the Department of Agriculture licenses all of the pesticides intended for agricultural commodities on the basis of the showing made by the manufacturer on experimental work. The Department of Agriculture will make a determination of whether it is useful for the intended purpose, whether it is too hazardous for farmers to handle, and so forth. They will then undertake to license it under a particular set of directions for use. But if the showing, in experimental work, is that it does leave a residue on any foods, and that the residue is toxic at all, then it comes over to us, and we have to establish a limitation which may be zero for the presence of this substance on the food.

This is the framework in which the thing operates.

EXTENT OF CONTAMINATION BY PESTICIDES

Mr. CARDWELL. And our sampling is related back—an analysis is then related back to the tolerance.

Mr. MARSHALL. I'd like an estimate as to these foods that are contaminated after they leave the farm by use of insecticides, pesticides, or preservatives or whatever they are.

There is always a little implication that a lot of this contamination takes place on the farm. And I am a little bit confused in my own mind, because I run into so many examples where something is done to that commodity by industry, tradesmen, after it leaves the farm. Do you have an estimate as to where contamination takes place?

Mr. LARRICK. Yes. Well, I do not think, in all honesty, that we can get you an accurate percentage, but we can make a narrative statement that will cover what you have said and also will say that, taking the gigantic amount of fresh fruits and vegetables moving in interstate commerce, only a relatively small percentage of them are contaminated by some careless farmer.

But it is important to find those people. There are always some people who think if a little will do some good, then more would do even more good.

But they are certainly very much in the minority.

FUMIGATION OF GRAIN

Mr. HARVEY. There is the problem, of course, of fumigation after harvest and of treatments to avoid insect contamination.

Wheat, for example, is treated, and many crops, dry fruits and so forth, are fumigated. The fumigation, as a rule, is very volatile, and we do not have much trouble with those because it only takes a few hours to kill whatever insect life is there, and then the fumigant is gone.

Mr. LARRICK. This gives you some information about what happens on the farm. Out of about 5,000 samples that we collected last year, we found only 42 that were excessively contaminated. And that resulted in seizure of over 800,000 pounds of grains and vegetables.

But that is a minute amount compared to the amount that would be covered by these 5,000 samples that we collected.

Mr. MARSHALL. I am glad that wheat was brought into the picture because one of the things that we hear about is that, in the processing of wheat into flour food products, it goes through several processes where the hull is taken off, where it is scoured in the milling house, and in baking it goes through a heating process. Actually, few of our food commodities have a better sanitation program than grain.

Mr. LARRICK. That is right, particularly the milling and baking industries. They have spent thousands and thousands of dollars to improve the conditions inside their elevators and bakeries and to do everything to make wheat foods one of the best classes of foods that we have.

Now, you are asking about contamination that occurs off the farm. I recall there was one big firm up in the Northwest that sold seeds.

They had a great deal more seed left over at the end of the season than they were able to sell.

It is necessary, as you probably know better than I, to treat seed with materials that will prevent molding and spoiling in the ground if it gets wet. So they used a mercury compound, which is a virulent poison, and they put the mercury on the seed wheat so that it would not rot before it sprouted.

They ran the wheat from these carloads, many carloads of wheat that they did not sell through their scourer, which, as you know, takes off part of the bran coat. But when they were through, they had enough mercury left on the wheat so that when they put it in chicken-feed, the chickens fed laid eggs that did not have any shells. They had a major problem.

We seized a great many cars of wheat because there was a poison added to it. If it had gone into flour, that would have been very bad. And that contamination did not happen on the farm.

Mr. MARSHALL. That you have of a human being being poisoned by eating a product made of wheat is extremely remote, is it not?

Mr. LARRICK. That is right.

Mr. MARSHALL. Thank you, Mr. Chairman.

DRUG PROGRAM

Mr. FOGARTY. What about your drug program, now?

Mr. LARRICK. Well, that is a program that we know needs to be stepped up a great deal, and it is very much in the public eye.

Mr. FOGARTY. There are hundreds of new drugs coming on the market every year, are there not?

Mr. LARRICK. Yes; a great number of new ones, in the hundreds. We estimate that there are some 12,000 manufacturers and distributors of drugs in this country. That is not patent medicines; that is drugs that are used by the doctors.

Mr. FOGARTY. Yes.

Mr. LARRICK. And there has been an increase of some 304 percent from 1947 to 1959 in ethical drug sales. Drugs today become obsolescent very fast. You perfect a new drug, and then along comes another one that is perhaps superior to the one you had, in one way or the other, and the first drug goes out the window, and you have a new one to deal with.

Mr. FOGARTY. You say that, according to your analysis, on the average, a new drug is developed every day. Today's prescription drugs become obsolete twice as fast as they did 10 years ago.

Mr. LARRICK. Right.

Mr. FOGARTY. The pharmaceutical industry spends nearly \$20 million on research.

Mr. LARRICK. Correct.

Mr. FOGARTY. And consumers are spending about \$2 billion a year on drugs now.

Mr. LARRICK. Right.

Mr. FOGARTY. This is getting to be a real problem, is it not?

Mr. LARRICK. We do have problems all the time.

DRUG CONTROL PROBLEMS

Mr. FOGARTY. Tell us about some of your real problems.

Mr. LARRICK. We have all levels of care exercised by pharmaceutical houses with respect to the purity, strength, and quality of the drugs that they distribute. There are firms who exercise very great care, where the cost to them of the laboratory analyses that they make to be sure that their product is pure and efficacious is a greater sum of money than the cost of the drug itself. This level of care grades off down to the point where the drug house uses no controls of a laboratory sort and depends entirely upon the drug as the company receives it and upon weights and measures to assure themselves that the drug that they put on the market is up to strength.

Now, every year we have a number of cases ranging in importance from those that are relatively unimportant to those that could be life-destroying, where errors have been made in the production of the drug and where we have to use emergency measures to get it off the market before harm is done.

I had a phone call just a few days ago from a leading drug manufacturer who said that they were afraid that in making one of their products they had introduced a foreign drug into the mixture and that they were proceeding forthwith to take it off the market.

I give them credit for calling us to tell us about it immediately. We send inspectors to such a plant. We get lists of all shipments, and together with the manufacturer we work very rapidly to take such a drug off the market.

Now, that problem repeats itself, on the average, probably 20 to 30 times each year with some important drug.

We have the same general problem in the food industry. Perhaps, generally, it is not as important.

Do we have that covered in there?

Mr. CARDWELL. No; I was looking for a number of new drugs.

Mr. HARVEY. I would like to inject a point, Mr. Chairman.

In addition to the one-a-day figure of really new drugs, there are around 2,600 changes made each year in new drugs that are already on the record—changes in dosages, changes in composition, changes in some form, which gives, not necessarily the same workload, but gives a large workload, nonetheless, to FDA. There are four to six times as many as the original new drugs.

Mr. FOGARTY. This is getting to be a very complicated business and big business. This is getting to be such a big job that perhaps you ought to have three or four divisions down there—one just for food, one for drugs, and so forth.

Mr. LARRICK. We have begun that, Mr. Chairman. We have now a Bureau of Medicine, instead of the Division of Medicine; we have a Bureau for our Washington laboratories.

Mr. FOGARTY. I see.

Mr. LARRICK. We are starting in that direction. And I hope it continues.

DRUG RECALLS

I find that from our records, there were 45 instances where drugs with serious imperfections had to be withdrawn from the market in 1961.

Mr. FOGARTY. For the record, can you elaborate on those 45, and tell us what damage might have occurred if they had not been taken off?

Mr. LARRICK. Yes, sir.

(The requested information follows:)

COMMENTS ON DRUG RECALLS OF CALENDAR YEAR 1961

The drug recalls for calendar year 1961 represent efforts of the FDA to protect the public health and to insure the maintenance of a high standard of drug products as prescribed by the physician or as used directly by the general public.

A number of the products recalled were for technical violations in that they did not meet the standards as set forth in the U.S. Pharmacopoeia for the product or the standards involved in the certification of a certifiable antibiotic. This substandard situation with antibiotics may result in a product that loses potency at an accelerated rate or is subpotent to begin with. When antibiotics are prescribed by a physician for an infectious disease, he expects that the antibiotic to be used on the patient is up to full strength and potency. A subpotent antibiotic preparation may result in undertreatment of the patient. In cases of severe infectious diseases this may jeopardize the patient's health or life. A number of the preparations recalled in 1961 were penicillin products. Penicillin is frequently employed in the treatment of serious infectious diseases.

In addition to the systemic antibiotic preparations recalled, there were several topical antibiotic preparations intended for the treatment of skin or eye infections. Their low potency may likewise result in ineffective treatment of infections.

There were a number of eye preparations that showed improper manufacturing techniques, such that sterility or freedom from bacterial contamination was not assured. Nonsterile eye preparations endanger the public health in that they may actually introduce a bacterial infection into the eye, particularly when the preparation is being used for the treatment of an already diseased eye. This may result in severe infection of the eye and permanent damage to the eye structures or even complete loss of vision.

Among the drugs recalled there were a number of preparations for use in the treatment of pernicious anemia that were found subpotent. This may result in a physician inadvertently undertreating his pernicious anemia patients, allowing for progression of their symptoms of anemia and irreversible central nervous system degeneration.

There was a product recalled which had as its use the topical treatment of psoriasis, a common skin disorder. This product was contaminated with pseudomonas bacteria and its continued use could have resulted in serious skin infections.

A product intended for the treatment of gout had been demonstrated to cause severe liver damage with a high rate of fatality in patients who had these liver damage side effects. The potential benefit of this product in the treatment of gout is vastly outweighed by the dangers involved in the use of this drug.

Another prescription drug recall was for a mild type of tranquilizer that showed the capacity for causing agranulocytosis. Agranulocytosis is a serious blood disorder and may result in death.

A pharmaceutical firm because of a manufacturing control error distributed their products with switched labeling. Both products involved in this label mixup were antibiotics; however, one was in a "broad spectrum" and the other was in a comparatively narrower spectrum range as far as its effect on the treatment of bacterial infections. In addition, one of the antibiotics had the capacity for causing white blood cell depression as a side effect. This mixup in antibiotics endangers patients by virtue of the fact that they may be deprived of the proper antibiotic treatment. This is especially serious since these products are prescribed for serious bacterial infections. Furthermore, in the case of the antibiotic with the white blood cell depressing side effect, the inadvertent use unnecessarily exposes patients to this danger without the physician being aware that he was dealing with the wrong antibiotic.

Another product recall was a prescription pediatric diarrheal mixture that showed an untoward effect in infants. Patients seriously ill with severe infantile diarrhea might be jeopardized by the side effects attendant on the use of this drug.

There were several recalls of antibiotic sensitivity disks. These disks are used in clinics and hospitals to determine the sensitivity of bacteria to antibiotics to guide the physician to the choice of antibiotic to be used and the dosage. These disks are extremely important in the management of patients with serious infections and disks that fail to meet the standards stated in their labeling serve to confuse the physicians and technicians as to the expected patient response to antibiotics. This may impair the proper selection of an antibiotic to be used in the treatment of a serious infection.

There were a number of other recalls of products that may not have caused any immediate danger to the patient, but which represented very poor manufacturing practices. If such practices are permitted to continue they may conceivably result in a situation or condition which could represent a hazard to patients.

Mr. HARVEY. I might say, Mr. Chairman, that they do not all call us up and tell us what they are doing.

Mr. LARRICK. No.

Mr. HARVEY. Much of this information we have to dig out in many other ways and cause it to be done, not in the pleasant voluntary fashion that Mr. Larrick has described.

Mr. LARRICK. Just to sum this up, among the things that we found are wrong, the first one here was a very important drug, and it had mold in it. A second one was a penicillin tablet, and it had too much water in it. Too much water in a penicillin tablet will make it spoil.

Mr. FOGARTY. What happens then when it spoils?

Mr. LARRICK. It just does not have the potency, and it does not cure your disease.

Mr. FOGARTY. It could account for the death of a person?

Mr. LARRICK. That is right.

An eyewash that will introduce bacteria into your eyes. And another one——

Mr. FOGARTY. Well, you can put those in the record and elaborate on them.

Mr. LARRICK. Right.

FOOD ADDITIVES

Mr. FOGARTY. You have not said much about food additives, and this is something new. We have new laws on that.

Mr. LARRICK. Right.

Mr. CARDWELL. We have 30 new positions identified with food additives.

Mr. FOGARTY. You say on page 60:

There are about 2,200 chemicals used in foods and food packaging today and approximately 6,500 manufacturers who produce them. These chemicals, in turn, are used by about 73,000 food manufacturing, processing, and packaging establishments. Many of these chemicals are toxic, and in determining their effects as food additives, each of them must be evaluated in terms of the countless individual products in which they are used. A given additive might be safe in one product and not in another because of the way it reacts with different ingredients.

That is a real problem, is it not?

Mr. LARRICK. A very real problem.

Mr. FOGARTY. Will you tell us what some of the problems are, what you are doing about it, and some of the things you are not doing that you ought to be doing?

Mr. LARRICK. Well, in the first place, the law as it now stands provides that, before a new food additive can be introduced into our food supply, the manufacturer who wishes to bring this about must give the Food and Drug Administration the same sort of evidence that the Congress previously required in the case of drugs; they must be able to show us first that, as used in the food, it serves some useful purpose—preservative, color, to prevent rancidity, or will do something else that is helpful to that food.

Then they will have to show us that, in the amounts used, the additive is safe. And third, they must provide us with a method by means of which we can check that food to see whether or not they did not exceed the allowable tolerance, that they put in no more than we have said they should put in.

Now, the two big problems are that we need to improve our analytical methods very much indeed, and we need to step up very much the number of samples that we collect on the open market to make sure that the amount of the additives that they have used are not in excess of the amount that is safe.

Now, to give you a concrete illustration, just last month some chap had a material which could be used with potatoes. Today, in restaurants, in any public eating place, the labor involved in preparing potatoes is so great that they do not ordinarily peel them and slice them in the restaurant; the potatoes come to them peeled and sliced and ready to cook.

But if you prepare them that way and you do not put some chemical on them, they will turn black.

So this man had a material which he sold to various restaurants. Our attention was first called to it when a State food and drug official from out in your part of the country had a whole series of food poisoning. People became violently ill. And he pretty well identified this material as having caused it.

The material was made outside of his State, so he could not pursue it. He got in touch with us and we went to the factory and checked it out, and we found it did have a poison in it that would produce these symptoms. We got lists of the shipments and proceeded to put out a press release and get in touch with the restaurant associations throughout the country. In this way we very promptly took the product off the market.

Now, fortunately, that has not happened as often since we had this food additive amendment as it did before. But we do need to step up very substantially the sampling of foodstuffs where we have allowed the addition of these chemicals to make sure they are not misused.

Do you want to add to that?

Mr. CARDWELL. No, sir.

Mr. LARRICK. Do you?

Mr. HARVEY. No.

Mr. FOGARTY. If you run across a couple of other good examples, put them in the record.

Mr. LARRICK. Right.

(The following was subsequently submitted:)

During the past months, the Food and Drug Administration has found it necessary to seize a number of products containing food additives whose safety have not been established. Among them were:

Four shipments of flour totaling 145 tons which were seized on charges of containing residues of a bromide fumigant. This poison fumigant was added for the purpose of controlling insects in storage. It is a food additive for which no tolerance or exemption from requirements of tolerance has been prescribed.

Seizure was made of a shipment of biscuits in which mineral oil was substituted for vegetable oil as a lubricant to prevent sticking. The mineral oil, which is nonnutritive and capable of extracting oil soluble vitamins essential in the diet, is considered a food additive for which no tolerances or exemptions from the requirements of tolerance have been prescribed. Total seizure, 1,116 pounds.

Over 300 gallons of fish oil were seized because of contamination with DDT, DDD, and DDE.

Seizure was made of 300 30-capsule bottles of a vitamin preparation because of excessive amounts of folic acid.

Mr. HARVEY. We are making the rules now. We have got to enforce them.

Mr. FOGARTY. Yes. This is an action of Congress, and I would hope that these laws were being enforced.

USE OF HORMONES IN POULTRY

I had a letter from a woman who said :

I know that many people are becoming afraid to eat almost everything. Only last spring, a local county agent was urging farmers to use hormones on their poultry. I understand that organic-type farming largely obviates the necessity for pesticides. Of course, we must not destroy our wildlife.

What about these hormones? You had a problem a few years ago with them.

Mr. LARRICK. Yes.

Going back maybe 10 or 12 years ago, we were submitted evidence that purported to show that diethylstilbestrol pellets, if they were injected into the neck of the chicken right below the head, would cause certain changes in that chicken that would make it tender and more like a capon, and that there was none of the material left in the flesh of the chicken that you ate.

So they were allowed to put this material on the market and a great many chickens were treated with this chemical.

Some years later, analytical methods were improved, as I said a minute ago we need to constantly work to improve our methods, and we found that, contrary to our original belief, when they used this diethylstilbestrol as they were using it, it did leave a residue of the diethylstilbestrol in the skin, the liver, and the kidneys of the bird.

So we forthwith, particularly under the Dulaney amendment, denied the issuance of any further permits to use that material, and we started a process to withdraw the permits that we had previously issued.

Mr. FOGARTY. In the area of beef cattle, you said this was all right, did you not?

Mr. LARRICK. Yes. But we stopped it as far as chickens are concerned. Except at the moment we are very much bothered by some bootlegging that we have discovered.

But in cattle, even in employing these analytical methods, which measure two parts per billion, in the way they use this hormone in the large cattle, we find none left in the animal. So we have not stopped its use in cattle. And it still is used, and we think there is no harm.

THERAPEUTIC DEVICES AND MATERIALS

Mr. FOGARTY. I have another letter here from a doctor—he is a Ph. D. He is doing research in plastics. He said:

Unfortunately, there has been little evidence that the FDA is really studying the potential problem of the use of plastics in medical practice. I, for one, have not been able to receive any concrete information on what the FDA has done or is doing on the subject.

Are you doing anything?

Mr. LARRICK. Yes. Again, however, the work that is done is done predominantly by the manufacturers who contract the work out to the medical schools and the research institutions, and they are required by the statute to submit to our people evidence—to our medical men—evidence that the drug that is used with this plastic is not contaminated by the plastic, and that it is safe to use. And they cannot use it until after they have made that showing.

The way the new Drugs Section is set up, however, the evidence that the firm supplies is required to be kept secret. And so it is not strange that this gentleman, who probably speaks in quite good faith, would not know what has been submitted to us, because we are required to keep it confidential.

Mr. HARVEY. Mr. Chairman, I wonder if your correspondent does not have more reference to devices such as plastic veins and things of that kind?

Mr. LARRICK. If it is a plastic vein, we concede we have not done work in it.

Mr. FOGARTY. Plastic what?

Mr. LARRICK. Plastic veins, and other therapeutic devices, such as pins that they use if an older person breaks a bone.

We proposed to the Department that they consider applying the same rules to the therapeutic devices that have previously been applied to drugs, except that we be given the power to pass on, first, the safety of the material, and, second, that the manufacturer be required to prove to our staff that it will do what it claims it will do. We do not have that power now on therapeutic devices.

Mr. FOGARTY. I think Dr. DeBaKey, the famed heart surgeon in Texas, has developed some of these arteries and veins out of Dacron.

Mr. LARRICK. His group has written us and has urged us to get safety regulations on therapeutic devices and we have recommended that legislation to the Department. It is in the proposed bill that has gone forward.

DISTRICT OFFICE RENOVATION

Mr. FOGARTY. We have talked about the district office renovation. Is that up to date and are you satisfied with the progress?

Mr. LARRICK. No.

Mr. CARDWELL. The financing has progressed according to our plan, which was set up 5 years ago. But we are behind in the actual construction, and we are falling further behind every year.

Mr. FOGARTY. What do you mean, "construction"? How many buildings are being built out in the field?

Mr. LARRICK. Well, there will be a total of 18 when we are finished with the program.

Mr. CARDWELL. Seventeen of these would be new construction, and one would be renovation of an existing building.

Mr. FOGARTY. When will that program be completed?

Mr. LARRICK. This budget would cover the last four on the first half, and the next year would complete it.

Mr. KELLY. In terms of our funding plan, 1964 would complete it.

Mr. FOGARTY. Fiscal 1964?

Mr. KELLY. Fiscal 1964 would complete the whole 18 districts. But, as Mr. Cardwell says, we have not made as rapid a progress in the application of those funds as our original schedule had called for.

Mr. FOGARTY. Why not?

Mr. LARRICK. Well, they ran into things such as a location site in Buffalo. The GSA locates a site in Buffalo that suits us. They go ahead and they make a contract to buy that site or to arrange to use it. Well, they have got to get it rezoned, because it is not zoned right, and by the time they get through with that, they run into trouble with the zoning commission, and then the contract to get the site has expired.

Then they have to start all over again.

In Baltimore we had a site all picked, and GSA ran into a problem where the building had to be set back a certain number of feet, more than had been anticipated.

If it is set back, it goes right over the top of a gigantic sewer. So you have to throw away that site and pick a new one.

Mr. FOGARTY. I would not think that GSA, being in the business they are in, that they would be making mistakes like that. It seems to me, I would know enough to check that out in the beginning.

Mr. CARDWELL. GSA selected a site in Chicago last April. They went through the next phase in the regular planning, once the site is selected, to invite bids to build a building on the site. By the time they let the bids, the site owner sold the site to another. That means the process has to start all over again.

As of this time, the site has not yet been found.

Mr. FOGARTY. San Francisco, that is in this budget?

Mr. CARDWELL. Yes, sir.

Mr. FOGARTY. We went through that lab a few months ago. They really need some space. Are you going to build a building out there?

Mr. LARRICK. Yes, sir.

Mr. CARDWELL. That is our plan; yes, sir.

Mr. LARRICK. If we wait for the new Federal building out there, it may be 10 years. It may be 5 years; it might be 10.

Mr. KELLY. Even though it is crowded, our reason for selecting it in the last group is, as compared with the other district offices, it really had among the best space. We took the worst district offices first.

Mr. HARVEY. That was my old office building, Mr. Chairman.

STUDY OF STATE FOOD AND DRUG PROGRAMS

Mr. FOGARTY. What are you doing about studying the State food and drug programs?

Mr. LARRICK. Well, we are asking you, sir, for \$300,000 to set up a fundamental study of the food and drug setups in the States with the idea that this would be done by somebody completely disassociated

from us, an independent group skilled in this sort of thing. And the ultimate objective would be to strengthen State food and drug control so that more things could be done at a local level, would be done at a local level instead of having us do it.

Now, I will give you two illustrations. We came along with that margarine amendment several years ago, and there was a vacuum in this area, and we were given the job of controlling the practices of some 300,000 retail eating establishments. As I have stated before, we have only been able to do a token job. If the States had the money and the facilities, they could do it much easier than we could, and better.

More important was the problem that came about when the barbiturates—that is, the habit-forming drugs—and the amphetamines—that is, the stimulant drugs—began to be used more and more for nonmedical purposes. In every police department in this country, in every institution where people deal with mental problems, they know of many cases of people that used these drugs for nonmedical purposes and had all sorts of personal tragedies. Well, that erupted as a national problem rather rapidly. And the Congress wanted to see it regulated.

Now, when you have 50-odd thousand retail drugstores in this country and many truck stops and other places where they bootleg these amphetamines to truckdrivers and others, predominantly that is a local problem. If the States had the strength, the people, and the abilities to do it, they could do the biggest part of that job.

So that the ultimate of this would be to figure out ways and means to strengthen the work that the States can do and also to build our cooperative efforts to their ultimate benefit.

Mr. FOGARTY. How long will it take to do this?

Mr. CARDWELL. Eighteen months, we expect it would take.

Mr. FOGARTY. Eighteen months?

Mr. LARRICK. We anticipate it would take 18 months.

Now, we have already gone to the Association of Food and Drug Officials of the United States. This has their approval, and they took money out of their treasury and went to a study group out at the University of Chicago and had a preliminary study made.

Mr. FOGARTY. Your efforts are going to save you money in the long run.

Mr. LARRICK. That is right.

Mr. HARVEY. Ultimately, Mr. Chairman, this ties in with a total census of our obligations. If we can determine what is the States obligation and manage some way to get them pretty well balanced in what they do, then the Federal obligation and our overall job stands out clear and clean, and we can follow a concerted program with the States. Right now, we do not know what the State job is and what ours is within the particular State.

Mr. FOGARTY. Now, Mr. Larrick, is there any more you would like to say about the other nonstaff increases?

CLINICAL TESTING OF DRUGS AND DEVICES

Mr. LARRICK. Yes. We need to enlarge very substantially our own clinical testing of drugs and devices. Occasionally we get an application purporting to show the safety of a new drug and some device and for one reason or another, our scientists question its validity. And we would like to have facilities to go out and run what would amount to an audit—go to the universities and hospitals and pay what it costs to have a new test made under our own auspices so that we would be able to feel more confident.

Now, I think we have asked for a very modest increase there. It is only \$8,000. We have \$20,000 now. And over the long haul, I would think that this is the sort of program that perhaps should be strengthened even more.

INCREASED TRAINING

We would like to increase our training. As I said to you briefly, as we grow, we have a larger percentage of people who have had less experience than was the case when we were a very tiny organization.

So we need to adopt more and more training courses, and more and more procedures so that our folks will be able to do their jobs well and so that their judgment will be uniform throughout the country.

We hope that the computer system that we have spoken to you about before will be a boon to our work, to make us more efficient. And there we need certain supplies.

I think that we have been very modest in asking for reproduction money. With all these new amendments, it is pretty largely beyond our control.

Mr. FOGARTY. What do you call reproduction money?

Mr. LARRICK. Printing such things as regulations. In other words, that operation has multiplied many, many fold. We put out Federal Register articles by the dozen. We must do this and we must send enough of them to the people in the trade so they know what rules they have to comply with and that runs into big money.

And we discovered to our sorrow we had not put in what we thought we should should put in, in this area.

We need, in order to keep all our people in touch with new developments, especially scientific, to attend more professional conferences, and bring more people in from the field more frequently so we can have an exchange of views and also implement our training program. This will cost \$5,000.

PUBLIC EXHIBIT

We would like to have in our new building, when it is completed, a place where citizens could come and see exhibits that would portray to them something about what the Food and Drug Administration does. We would like to get Congressmen down there to use it, perhaps as an easy way for them to see what we do. So we are asking for \$5,000 to design an exhibit.

CERTIFICATION, INSPECTION, AND OTHER SERVICES

Mr. FOGARTY. Regarding certification, inspection, and other services, this is entirely supported by fees, is it not?

Mr. LARRICK. That is right.

Mr. FOGARTY. Is there any significant change in the program since last year?

APPLICATION OF RESERVED FUNDS

Mr. CARDWELL. Yes, sir. There are two changes in the program, the most significant of which is a proposal to apply \$520,000, an estimated \$520,000, of funds currently held in reserve to purchase fixed laboratory and other related equipment for these operations at the time we move them from their present location into the new building.

This is an item that the General Accounting Office commented on when they made their study.

Mr. FOGARTY. Is that from your unobligated balance?

Mr. KELLY. Yes, sir.

Mr. CARDWELL. Yes, sir. And we have been holding these moneys. In fact, we had originally anticipated that the cost would be much greater than it now appears to be. And we have been holding these moneys in anticipation of just this problem.

At their recommendation, we have included in this submission an analysis of these funds and a proposal or plan for their application. This appears on page 121 of the material.

Mr. FOGARTY. All right, put that in the record.

Mr. CARDWELL. All right, sir.

(The pages of the justifications referred to follow:)

PLANNED USES OF CERTIFICATION FUNDS CURRENTLY HELD IN RESERVE

GENERAL BACKGROUND

The volume of the workload in the certification services varies greatly depending, primarily, on the volume of production of the insulin, color, antibiotics, and pesticides industries. Their production in turn depends on the vagaries of commerce, such as supply and demand for the certified products, levels of inventory, and the myriad other factors that affect production levels. Largely because of these uncontrollable changes in the volume of workload, the certification program since its beginning has maintained reserves to meet unforeseen and uncontrollable contingencies that affect the volume of work to be done and that therefore affect the number of personnel, and the amount of equipment, supplies, and facilities that must be provided to perform the work. The funds reserved in the certification program for these unforeseen contingencies are made up of fees retained in excess of the obligations that are incurred for operating expenses.

SPECIAL RESERVE FOR EQUIPMENT

Beginning in 1958 the certification fund reserves have been built up to their present level to finance the move of the certification laboratory operations from their present quarters to new facilities. Based on the best current estimates, the 1963 budget contemplates that these costs to the certification account will not exceed \$520,000. When the equipment involved has been purchased and the final costs are determined, a further analysis of the reserves will be made so that any surplus funds may be available for rebate to the industries that use the certification services.

PLANNED USE OF RESERVES UNDER PRESENT SYSTEM

The General Accounting Office reviewed the certification program of the Food and Drug Administration. In their report of September 1961, they recommended that the Committees on Appropriations be informed of the planned use of the reserve funds. There follows a statement of the reserves and a tabular distribution of their planned use under the present method of authorization, i.e., an indefinite, special fund approved annually by Congress.

TABLE OF DISTRIBUTION

The level of reserve funds in the certification program on July 1, 1961, was \$909,342 (an unobligated balance brought forward of \$1,016,622 less \$107,280 in unearned deposits that are subject to refund to users upon request).

1. Rebate to the color industry of excess 1961 earnings (credited to industry in December 1961)-----	\$100, 000
2. Proposed transfer of seafood certification reserve to the Treasury—these funds accumulated under the seafood inspection program which has been inoperative since 1957-----	28, 311
3. The purchase of fixed laboratory equipment in 1963 when the certification activities will be moved into a new building (FOB No. 8, now under construction)-----	520, 000
4. Costs for initial equipment and other nonrecurring costs to initiate the certification provisions of the Color Additives Amendments before these activities become self-supporting. This was authorized by sec. 202(d) (2) (A) of Public Law 86-618, July 12, 1960 (74 Stat. 406)-----	92, 000
5. Contingency reserve to assure continuity of operations during strikes, downturn in workload, pay raises, etc., until fees can be adjusted (10 percent of 1961 earnings)-----	148, 357
6. Balance to be rebated to industry as soon as the cost of item 3 is determined-----	20, 674
Total-----	909, 342

The above plan does not contemplate the formal capitalization of equipment or the establishment of a business-type reserve for depreciation of equipment.

Consideration is now being given to whether such a business-type accounting system should be installed. Similarly, consideration is being given to whether specific funds should be earmarked in recognition of the certification programs' liability for unused annual leave.

It was not possible to make a final decision with respect to the establishment of such business-type budgeting techniques in time for inclusion in the 1963 budget. It is anticipated that a decision will be made before the 1964 budget is submitted to the Congress.

Mr. FOGARTY. Have you satisfied the questions of the General Accounting Office?

Mr. KELLY. I believe that this is what they wanted us to do, Mr. Chairman.

Mr. FORARTY. I see.

Mr. KELLY. The recommendation was to lay it before you, so that, if the Congress had any question, they could direct us to the contrary.

Mr. LARRICK. We thought we had done that previously.

Mr. FOGARTY. Have you had any complaints about the fees charged that amount to anything?

RELATIONSHIP WITH PHARMACEUTICAL INDUSTRY

Mr. LARRICK. Well, I would say that the most serious complaint that we have at the moment is a body of opinion in the pharmaceutical industry that the certification system could be dispensed with. Now, that will emerge, I would think, in connection with the consideration of this omnibus bill.

Mr. FOGARTY. How are you getting along with the pharmaceutical industry? Are you referring to the wholesalers or the manufacturers?

Mr. LARRICK. No, I am talking mostly about the manufacturers.

Mr. FOGARTY. I see. How are you getting along with them?

Mr. LARRICK. In general, we get along with them; we always have some differences of opinion with the industry. I would say that the drug industry has found itself in an atmosphere that at the moment they feel is hostile; and I think they feel that we——

Mr. FOGARTY. That is a pretty fair statement, I guess.

Mr. LARRICK. Well, I would think it is, too.

Mr. FOGARTY. I know you keep up with the Kefauver hearings. The differences between the committee now and the industry are not so great; are they?

Mr. LARRICK. My experience, Mr. Fogarty, they are——

Mr. FOGARTY. They are coming together?

Mr. LARRICK. They are coming together.

Mr. FOGARTY. Faster than a lot of people anticipated?

Mr. LARRICK. I would think, though, when you got down to the minutiae of drafting some differences will remain.

Mr. FOGARTY. But the main one is patents.

Mr. LARRICK. Patents, yes.

Mr. FOGARTY. What is it, 3 years on the one side and 17 on the other?

Mr. LARRICK. That is right.

Mr. FOGARTY. Mr. Marshall.

INCREASED LEGAL RESPONSIBILITIES

Mr. MARSHALL. I note that in your justifications on page 19, you show that in 1953 you had an appropriation of \$5,600,000. This year your budget estimate to the Congress is about \$28.4 million. I presume during those years there have been quite a lot of new authorities given you.

Mr. LARRICK. We have had added responsibilities; we have had to pay out of our own budget for retirement money, and we have had numerous things added that do not show up in the program.

TOXIC COMPOUNDS IN ANIMAL FEED

Mr. MARSHALL. On page 48 of the justifications you make reference to toxic compounds in animal feeds, and in item 2 you say: "Study of how much of these toxic compounds are required to poison an animal." How far are you along with that study?

Mr. CARDWELL. This is a study which we have proposed to undertake in 1963 with the additional resources proposed.

Mr. LARRICK. The progress that is made, Mr. Marshall, has been pretty much the outgrowth of accidents. When this mercury got in the wheat that they fed the chickens, we made a project of that. And we know how much it takes.

And when these people in Cincinnati sold a fat product to many of the big feed manufacturers, they put it in the feed and it killed several million chickens. Then, over a period of 2 years, by means of difficult research, we identified the compound that was a poison. And we knew how much—how extremely small an amount—it takes to kill a chicken.

But from those accidents, we have decided that the smart thing to do is to try to get ahead of the game and not wait for an accident to happen, but instead make a systematic search for the poisons that get into the animal feed. But we have not gotten very far yet.

Mr. MARSHALL. Have our veterinarian colleges not made a study of this matter?

Mr. LARRICK. If they have, they have done it on a very spotty basis. We have a new laboratory that will be manned entirely by veterinarians, where they are prepared to deal with sheep, hogs, cattle, horses. For the first time we are equipped with the laboratory that can do this sort of work.

Mr. MARSHALL. You have been working with veterinarian colleges?

Mr. LARRICK. Oh, yes.

REGULATION OF FEED

Mr. MARSHALL. Now, in this connection, do not most of the States, with their State departments of agriculture, do some supervising of this animal feed?

Mr. LARRICK. Yes. Historically, the regulation of feed stuffs has been a State function, and over the years I think they have done a very fine job. But the things they did largely were to see to it that the farmer did not get cheated by false statements of the fats, carbohydrates, and proteins that were in the feeds. Then this new era came about where they started adding all manner of growth-promoting substances, disease-preventing substances, to feed. And there were two results: the small feed manufacturers were not accustomed to adding drugs to feeds, sometimes in parts per million, and the State laboratories, by and large, with few exceptions, are not yet equipped to run analyses on these added drug ingredients.

We would hope that this survey we have talked about here today would result in most States being able to take on some of that work, but at the moment we have to do it.

Mr. MARSHALL. Do you feel that you are usurping any of their prerogatives in this field?

Mr. LARRICK. We do not feel that we are usurping it, but we sure would like to give it back to them.

Mr. MARSHALL. Have you had a request from them to get into this?

Mr. LARRICK. Yes; there is a national association of State food and drug officials that we belong to. We work very closely with them. They have a special committee that is a scientific liaison committee with the Food and Drug Administration and we do not take any steps in that area without their agreement.

AVOIDANCE OF DUPLICATION

Mr. MARSHALL. Are you exploring ways to avoid duplication in this field?

Mr. LARRICK. Yes, sir; we definitely are exploring ways to avoid duplication. I think we are avoiding it.

But we do think that there is a lot that we do in this field that could better be done by the States if they get laboratories and the skilled people to do it. We think a small feed mixer is much better

regulated locally than he is by some man in Washington that he never can talk to.

Mr. MARSHALL. Have you worked out any agreements of understanding as to how far you may go in certain States and how far they will go?

Mr. LARRICK. Yes. In general, they are not written understandings, but they are very competent oral understandings.

We have meetings; we have seven regional food and drug organizations that are made up of State, local, and Federal food and drug officials. For instance, in Minnesota, I believe, Mr. G. A. Vacha is the head of this work. We work very closely together on all of these programs.

Mr. MARSHALL. Do you have one of these agreements in effect with Minnesota?

Mr. LARRICK. Well, yes; we do. As a matter of fact, we work very closely with Minnesota and always have.

Mr. MARSHALL. Would it be possible for you to send me a copy of that agreement?

Mr. LARRICK. It is just a verbal agreement.

Mr. MARSHALL. A verbal agreement?

Mr. LARRICK. That is right. But when we do work in Minnesota—

Mr. MARSHALL. Could you place in the record the pertinent points of that verbal agreement?

Mr. LARRICK. Be very happy to. Do you want it with foods or just feeds?

Mr. MARSHALL. No; I was thinking about the arrangements with our State people in connection with animal feeds, and what you are doing on this toxic matter in animal feeds.

Mr. LARRICK. We will be very happy to.

(The requested information follows:)

The Food and Drug Administration and the State and territorial food, drug, device, cosmetic, and feed control officials have long had an understanding of complete cooperation in those areas wherein they have mutual interests. This is true in the case of the State of Minnesota, and a close working arrangement exists between Mr. R. E. Bergman, the Minnesota Department of Agriculture feed control official, and both our Washington and Minneapolis offices. Under the authority conferred by title 21, United States Code, section 372(a) (sec. 702(a) of the Federal Food, Drug, and Cosmetic Act), Mr. Duane A. Wilson, commissioner of agriculture in Minnesota, and those agents under his direction whom he designates are commissioned as officers of the Department of Health, Education, and Welfare for the purposes of the Federal act and to conduct in the State of Minnesota the collection and examination of samples and have access to and copy records of interstate shipment.

Our understanding is such that it has not been necessary to reduce the implementing agreements to writing. The Administration's Washington and field office frequently express to Mr. Bergman our views as to the status of products and the labeling therefor under the Federal law as well as the interpretation of the Federal law and regulations as they apply to medicated feeds. Mr. Bergman has complete familiarity with these laws and regulations and uses them as a guide in the administration of his State activities.

The Division of Federal-State Relations furnishes a variety of materials to the Minnesota officials in respect to methods of analysis, regulations covering feeds, drugs for use in feeds, and the like. Our understanding with Minnesota extends to the area of conducting joint inspection of medicated feed plants when necessary, cooperation in the laboratory area through the check analysis

of the Minnesota sample, and a free exchange of information when suspected violations are encountered. Our Minneapolis district director, through arrangements initiated by Mr. Bergman, discusses our methods of operations including inspection and sampling techniques with the officers and employees of the State of Minnesota who are operating in the medicated feed area. In summary, it is our view that excellent cooperation exists between ourselves and the State of Minnesota.

STRONTIUM 90 IN MILK

MR. MARSHALL. I think out in our section that we have heard more about radioactivity and its effect upon milk than anything else in the food line. And I regret to say that a lot of the physicists who have been releasing information have released information solely upon the prevalence of strontium 90 content and how it has increased. And when you start with a low figure, it does not have to show much increase before percentagewise it comes into a substantial figure.

MR. LARRICK. That is right.

MR. MARSHALL. And, of course, it fits in with this wave of emotion as it affects fallout and bomb shelters and everything else.

And so it was not surprising that the President made some reference to some of these things when he talked about the effect it was having upon the falling of the per capita consumption of milk, which is causing a building up of dairy supplies.

MR. LARRICK. Surpluses.

MR. MARSHALL. Surpluses. His comments to the press, which I thought displayed a considerable amount of commonsense, led me to be a little bit concerned as to the effect it might be having upon the diets of some of our people. And as he pointed out, there are some elements in milk that growing children particularly need in their diets.

Now, does anybody know if any of these food commodities, and particularly milk, have anywhere near approached the danger point from the absorption of strontium 90?

MR. LARRICK. We think not, and we have gone into it in great detail.

The Assistant Commissioner has just come back from Holland, where he met with experts throughout the world. And while we do think that we ought to be prepared, like the fire department, to deal with the problem if it should arise, we do not think that the health problem from milk or from our leafy vegetables or from our food diet as a whole has reached a stage where we need show any concern.

Is that right?

MR. HARVEY. That is right. Mr. Marshall, this is a storage problem, and the estimates of how much strontium 90 that the body can safely contain is based on an annual basis. So that a day-to-day fluctuation in the figures that you may see reported in the newspapers really do not have any significance at all. And on the basis on which we presently have to judge, safe amounts is how much the average body can consume over a period of every year, every day, without any untoward effects.

So it is very unfortunate, of course, that people play these numbers games and these high figures. If 7 is a low figure, 10 is a high figure—this is what has been causing trouble in this.

Mr. MARSHALL. I am hoping that the Food and Drug Administration will be able, through the various sources at your disposal, to dispel some of this hysteria that consumers seem to be faced with.

Mr. HARVEY. Mr. Marshall, we have been trying to do so. We have spent some of our printing money on simple statements of what the facts are; and these are available for distribution.

Mr. LARRICK. Those reassuring statements do not attract as much attention in the press as the scare headlines do.

Mr. MARSHALL. There is one item that has been of a little concern to me, which is, How does it happen that consumers have become more alarmed about milk than they have some other food commodities?

Actually, my understanding of milk is that if you have fallout on the pasture and a cow consumes the grass on the pasture, that the cow automatically, through her processes, removes at least a portion of that strontium 90 content from the milk.

Mr. HARVEY. Surely. Milk has been used as an index of measurement because the cow serves to collect the sample from over a range of terrain, and then this gives something to go on from the standpoint of monitoring for getting a general idea of the problem.

You have got a water content. This is a very poor monitoring factor from one standpoint, because it is not static. You have got soil content and air content and certain food products. Milk, for many, is a very convenient place to check to see how things are going. This, unfortunately, makes milk sound like the only item that is involved in the strontium 90 problem. This is not true.

EFFECT OF STRONTIUM 90 ON HUMANS

Mr. MARSHALL. Has the Atomic Energy Commission or any other group in the Government determined any exact point that a human body is endangered by the strontium 90 that they may consume?

Mr. HARVEY. Well, the exact point, Mr. Marshall, I am afraid not. The Federal Radiation Council, which is an advisory group to the President, of which Secretary Ribicoff is presently Chairman, and of which members of the various other departments, including Agriculture, are members; they have evolved certain basic recommendations. And this again is based on consumption over the period of 1 year as to maximums that would bring us up to a zone of concern. This, of course, we have not arrived at.

Mr. MARSHALL. You have a million dollars for this fiscal year (1962), and I believe the budget is calling for exactly the same amount next year?

Mr. CARDWELL. Yes.

Mr. MARSHALL. What are you doing in this field? Could you give me some examples?

Mr. LARRICK. In the first place, the milk analyses are being made by the Public Health Service; and they have used milk, I believe, because of the factors that Mr. Harvey has referred to.

Now, we have gone to the Department of Agriculture, and we have gotten a breakdown of their studies that show what the average diet in this country consists of. They have made many studies, cost many thousands of dollars, and they have come up and said, on the average, so many apples, so many peaches, so many pears, and so much corn-meal and whatnot. Then we have taken that average diet, and we are collecting samples throughout the country to try to come up with an answer: How much strontium 90 and other nuclear contaminants would the average citizen get out of the average diet? And we expect to keep that up and keep it going to see where it is headed.

Now, in addition to that, we have access to the great number of food samples that we collect for other purposes. And a certain number of those, I believe, will be used for analysis.

Mr. HARVEY. That is right.

Mr. LARRICK. On a random basis. Specifically, this money would be used to complete the instrumentation in 10 of our field laboratories that are scattered all over the country, and to build up our Washington laboratory a little more, and to have at all times information and knowledge which will permit us to say that the food supply is safe, if that is the truth; or if a problem exists, to have people skilled, that have knowledge, and we can step in and solve the problem.

Mr. MARSHALL. At the present time, with the studies you have made on all these foods, not just milk, but on all of these foods, you would not be alarmed at the present time?

Mr. LARRICK. No.

Mr. MARSHALL. As far as the effect it would have on a person's health?

Mr. LARRICK. No.

Mr. MARSHALL. I wonder, in your position, if you could prevail upon people who have a tendency to release information of this kind to try to put some of it in laymen's terms so that we do not have this hysteria that sweeps the country. Probably the dairy industry, actually, could stand this shock better than some other commodities could, because if the people become hysterical about their use—

Mr. LARRICK. It might do them a great deal of harm.

Mr. MARSHALL. It might do them a great deal of harm, that is right.

Mr. LARRICK. I do not think we could influence some of these physicists or some of these other people who take the position that any amount, or that one iota of this material is so potentially dangerous; I do not think that I or anybody else can change their views.

But we have got to consider the practical dangers. You do not throw all the automobiles away because somebody gets hurt.

Relatively, we are convinced that there is no present public health problem from fallout, and we are quite willing to say that on every occasion we have an opportunity; and we do say it.

Mr. KELLY. Every public statement that we have released, I think, has been carefully drawn by both the Food and Drug Administration and the Public Health Service to do this.

But as the Secretary pointed out, the people will take one sentence or one phrase out of context and make a story out of it, and the rest of it does not get printed.

CONSUMER ATTITUDES AND INTERESTS

Mr. MARSHALL. There is a statement on page 30 in connection with the consumer attitudes and interests, and I am not sure that I understand exactly what you are saying; but where does Food and Drug come into the picture as far as constructing birdhouses is concerned?

Mr. LARRICK. Where does it say about birdhouses? We do not come into the picture?

Mr. MARSHALL. Would you care to clarify what you mean by this statement when you say:

undertake all sorts of self-improvement and building projects, from learning Russian to constructing a birdhouse?

Mr. CARDWELL. It is just a bit of color, I would suggest. It is an effort to indicate that we are living in a do-it-yourself era, and these are some examples, and that the do-it-yourself technique fully extends to things that are of interest to us; and that the consumer himself must take on some responsibility to become aware and alert to consumer problems. This is just a means of illustrating.

Mr. MARSHALL. You do not mean to imply in any way that that is within your jurisdiction?

Mr. CARDWELL. No; not as far as FDA is concerned.

Mr. FOGARTY. Mr. Larrick, let us take a look now at some of your exhibits.

Mr. LARRICK. I am going to ask Mr. Grey to show them, if you do not mind. About how much time do you want us to spend on them, Mr. Chairman?

Mr. FOGARTY. Well, how much time do you want to spend, and let us see whether we can negotiate.

Mr. GREY. We have quite a few, depending on how much time you have.

Mr. FOGARTY. How much time will it take for them all?

Mr. GREY. Just. I would say, 15 minutes.

Mr. FOGARTY. Oh, well, you can take more time than that.

NATURAL DISASTERS

Mr. GREY. This first one I would like to show, Mr. Chairman, is illustrative of conditions that developed for which we cannot plan, but that takes a lot of our manpower and are really necessary in protection of the health of the people. That is when a natural disaster occurs.

This is a picture that was made by one of our inspectors down in Texas during Hurricane Carla last year, in which there was a great deal of damage to food warehouses and other places where food might be manufactured. And this just shows what the condition is after the hurricane has passed and what the people are faced with in trying to control scavengers and plunderers going in and salvaging some of this food that may be dangerous. We work very closely in areas of this type with the State and other local authorities.

BOOTLEGGING REJECT FOODS

You remember last year we mentioned our problem—and it is still with us—of incubator reject eggs. It is one of these problems that comes and goes. You put some people under investigation and you find that they are bootlegging incubator reject eggs in the various stages of incubation, and manufacturing whole egg or egg solids and freezing them. Then these eggs are used in food products. And it is a problem that, despite our activity and how strong we work at it and how strong the State people work at it, continues to crop up.

Mr. FOGARTY. Were these used in cheap bakeries or something like that?

Mr. GREY. Not always. Usually they are in bootleg channels all right; but after they have been—they take the incubator reject egg and they match it up, and then they strain it. If you notice, there are a lot of embryos in those eggs. Of course, you would not be able to see any of them if you saw the frozen eggs, because all the evidence of an embryo—bones and feathers, and so forth—would be strained out. But the juices and the other soluble material would be in there and would go in with the eggs, and you would not be able to see it or know it, because it is massed in with other eggs.

POTENTIAL HARMFUL COSMETICS

You may have read in the papers during the year the problems we were having with various eye pencils and other types of eye cosmetics containing noncertified and, in some instances, perhaps dangerous colors. We have made a number of seizures of the eye pencils. They are particularly dangerous where they have a color in them that may be poisonous or might be capable of causing an injury around the eyes. And these are just some of the types of products that contain those colors.

PESTICIDES

We have talked quite a bit today about pesticides and the importance of our determining what the workload and movement is in interstate commerce of foods, fruits, and vegetables that may contain pesticide residues. This exhibit shows the full cycle of the investigation that we make, which starts right out where the product is grown; follows through with the application of the pesticides, the collection of the samples, and the analysis of the samples to determine whether residues remain; and, if so, how much.

Then, of course, there are the new methods that are necessary in many instances to detect these residues. And as Mr. Larrick stated, it is difficult for us to keep up in this area because of the complexity of the problem. In many instances, different insecticides are used during the year. Insecticides may be fixed and form a completely different chemical entity than that which was applied.

And this depicts two of the newer types of analyses and the equipment that is necessary—the fly-bio dye assay, in which we have found that the housefly—although this is not the one that you just go out and gather, because we grow our own houseflies, so to speak—is a particularly sensitive animal to pesticide residues, and in many in-

stances we can identify by the reaction of the fly—how quickly he dies and the antics he goes through—the type of pesticide used.

The other is the chromatographic procedure, which is a very rapid procedure. An extract of a raw food product is fed into the apparatus to permit quantitative and qualitative analysis of a pesticide.

MONITORING RADIOACTIVITY

This is just a small exhibit. It illustrates some of the same problems of new methodology and equipment. You were mentioning radioactivity and the problems of determining the amounts of it that might be present in food.

Mr. Larrick mentioned our whole diet samples, as well as our monitoring samples that we collect; and this is an example where you extract the ash from the sample and examine the ash, in which you determine how much of it is left.

MISUSE OF DRUG SAMPLES

There has been quite a bit of publicity and press coverage lately with regard to the misuse of physician's samples that are distributed by drug manufacturers for a number of purposes. One is to acquaint the medical profession with new products, others are to supply doctors with a new start on the product, to try it out and to see how it works. Our investigations reveal that in many instances these physicians' samples are not being used for that purpose, that they are being collected by scavengers or illegal undercover types of people who take drug samples and accumulate them in many areas, then repackage them, getting them mixed up without adequate direction for use, and in many instances without any of the mandatory information on the label at all.

CONTAMINATION OF GRAIN

These three exhibits deal somewhat with the problem you were talking about in connection with contamination of grains. This is a warehouse exhibit showing the possible misuse of pesticides or rodenticides that may be used in a food warehouse for the control of rodents—1080-sodium-furol-acetate and other products that are displayed around in a warehouse to protect against rodents that might contaminate the food.

This is another one dealing with sanitation, showing rodent contamination in a warehouse.

INADEQUATELY LABELED DRUGS

This is the way we found it in a drugstore where they take them out and mix them all up, they repackage them, they put them in containers like this. In some instances they have none of the required information on the label, and this is why we could seize them. They voluntarily destroyed them by flushing them down the toilet.

MISUSE OF POTENT RODENTICIDES

This is the misuse of very potent rodenticides in a warehouse: warferin, 1080, arsenic, things like that. This 1080, as you know, probably, is about the most powerful rodenticide that is available.

And it is based on the habits of the rat, who, in a warehouse or anywhere else, has to have something to eat and something to drink. The 1080 is mixed in with a little supply of water for the rat to get. It is so powerful that, if he happened to come out of a hole right in the corner—say, this close—4 feet, to a cup with 1080 in it, and he got a drink out of the cup, it would kill him before he got back to the hole.

Mr. FOGARTY. How about mice in the home?

Mr. GREY. I would not use 1080. I would put out traps. If 1080 happened to be spilled over stored coffee beans, it could present a very potential health hazard. It is very dangerous.

Mr. MARSHALL. In brewing the coffee, would it have a tendency to go in the coffee one would drink?

Mr. GREY. I do not know the answer to that, sir. I do not know that we have conducted any experiments of that type.

Mr. LARRICK. No. The only way we let them use 1080— in a food warehouse is to build a box, put the 1080— in the box, have a hole in the box only big enough so the rat can get in, and have a lock on it and have records on just who has access to it, when they put 1080— out. We keep track of those who use 1080— and anybody who does it carelessly, we would prosecute them.

It is water-soluble: the chances are 99 to 1 that it would go right straight through and kill you.

Mr. GREY. That is right.

RODENT CONTAMINATION

This exhibit shows—we have presented exhibits similar to this many times to the committee—the rodent contamination that we have to fight continually in food warehouses where rodents get into warehouses or food manufacturing establishments and either contaminate the raw materials or the equipment and, in some instances, the finished materials. It is a problem that is not nearly as bad as it was 20 years ago. But we still have it.

And this is a similar one, except dealing with bird contamination. So many people do not seem to think much about birds contaminating food. We have talked about rodents contaminating food and about insects contaminating food. But in grain warehouses, bird contamination can be rather serious. It is easy to correct, because all you have to do is screen the openings into the warehouse or into the bin to keep them out.

CROTALARIA

Mr. Marshall and Mr. Larrick were discussing the crotalaria. You remember we brought this problem up last year because it was more acute last year than this year. But the problem is very serious, I guess because of the tenacity of the crotalaria legume or the plant itself to live in a wild state. It seems to perpetuate itself year after year, and even though the crotalaria is no longer used by any of the farmers or soil people as a soil builder, there is still a rather sizable wild crop that can get mixed in with the soybean, corn and maize and other crops that are harvested with it. We still have an active program; although the States, for the most part, have taken it over and are carrying it on to eliminate the possibility of crotalaria being used in food.

An interesting sidelight is that when the pod ripens, the seeds that are inside rattle around in it. And that is where it got its original name of "rattlebox," because of the seeds in there, rather than croalaria.

SANITATION IN SEAFOOD ESTABLISHMENTS

This exhibit represents another situation that pops up occasionally, and we intend to keep a close watch on sanitation, particularly with regard to bacteriological contamination in seafood establishments. This involves a crabmeat establishment, showing the insanitary and negligent practices of this packer, wherein he allowed the meat to become contaminated. And we made a seizure in that particular instance.

MEDICATED LIVESTOCK FEED

While this exhibit here is not exactly along the line of the one that Mr. Marshall mentioned, it deals more with what Mr. Harvey was explaining with regard to our concern about medicated feeds for livestock. This is a situation that developed, Mr. Fogarty, up in your section of the country—not in your State, but in an adjoining State—wherein, due to either negligence on the part of the feed manufacturer or something else, over 300 percent excess in the active therapeutic ingredient in the medicated feed was in the feed, and, as a result, killed a rather large number of turkeys. And this came to our attention as a result of the work of State officials, and we helped them out trying to solve this.

But the problem is not this particular ingredient itself, but the fact that it is necessary, in adding medicated foods or medicines to feeds, particularly in many instances where the medication is a rather potent ingredient, to be very careful in the amounts added. And insofar as the health of the livestock is concerned, it is just as important to them as proper medication is for people.

So accuracy and potency is very important.

FLIES

I brought this exhibit along primarily to show how many flies occasionally you run into in tomato canneries. The fruit fly around tomato canneries and other types of vegetable and fruit production units sometimes becomes quite a problem. And of course they lay their eggs on the tomato, if it happens to be split, and then the eggs develop very rapidly and you have maggots in the cracked tomatoes. Unless there is a very careful sorting of the unfit fruit at the time, it goes through the processing line, and you will wind up either with maggots or portions of maggots or other insect fragments in the food product. And this was a particularly bad situation.

PRESS NOTICES AND PUBLICATIONS

To illustrate the fact that more and more consumers are becoming aware of the programs of the Food and Drug Administration and more and more interested, this exhibit just shows to a small extent the interest that the press has shown in the activities of FDA over the past year. I believe—and perhaps it is right to believe so—that the press attempts to publish information that people want to read.

And we believe that this is an indication of the fact that more and more people want to know more and more about the Food and Drug Administration and what it is doing to protect them. And as a result, there is a lot of press coverage.

On the other side of this exhibit, Mr. Fogarty, are several of the publications that Mr. Larrick mentioned and that have received—

Mr. GREY. On the other side of this, now, Mr. Fogarty, are some of the pamphlets of which we have either distributed thousands and thousands of copies or are in the process of publishing at the present time.

This one up here is food standards and attempts to tell the consumer or the industry member what the law requires, the type of standards, why they are promulgated. It has at the back of it a list of the foods that have been standardized, and shows that when we have this interest in the welfare of the consumer, it will promote honesty and fair dealing.

This one on drugs and driving is in the printing stages and is prepared to give instructions to the trucker or driver of an automobile or moving apparatus on the highway on the dangers involved in taking drugs for stimulation or pep-up, or whatever it happens to be. And we expect that that pamphlet will receive rather wide distribution.

This one here is the prescription legend. It has been distributed to every pharmacist in the United States, and it tells him what the law requires with regard to prescription drugs, what his responsibilities are, and, we hope, it will go a long way toward doing something to reduce the large number of violations involved in illegal sale of prescription drugs.

Mr. LARRICK. We did this with the State boards of pharmacy.

Mr. GREY. Yes, sir; we did this with the State boards of pharmacy.

This "Read the Label" is probably one of the documents that we have distributed the most copies of. It is an attempt to make the consumer aware of the value of reading the label to acquire needed information. We hope, as a result of this and through some of our other programs, to find out from consumers what should be on the label that is not there to furnish them the information they need with regard to special dietary problems, ordinary diets or ordinary foods, contents, net weights, and the ingredient statements.

Mr. LARRICK. The Government Printing Office has sold 120,000 of those, which is very good.

Mr. GREY. I have here sets of these documents.

HAZARDOUS SUBSTANCES LABELING

Our last exhibit is one dealing with the Federal Hazardous Substances Labeling Act, and deals with any substance that is packaged and suitable for use in the home that is capable of causing injury to a member of the household if misused. And this is a "before and after" type of exhibit, if you will note, and involves products that are found in the home and are capable of causing injury.

The "before" exhibit on that side and the "after" exhibit on this side show the type of information that the law requires be placed on the container or the labeling of these hazardous substances or potentially hazardous substances to adequately warn the housewife or the person in the home of the dangers.

Mr. FOGARTY. I do not see turpentine on that. Would that not be a good example of "before" and "after"?

You used to show us a machine or two that quack doctors were using. I know one time you exhibited a "gold" spike that was supposed to cure everything. Is that still going on?

Mr. LARRICK. Yes. We became concerned about taking too much of your time; but we have got a lot of that stuff.

Mr. FOGARTY. Today we decided to take a lot of time with you because of the cut in your appropriation in 1962. We were trying to do something about it. That is one reason we gave you so much time this afternoon.

Mr. LARRICK. We appreciate that very much, Mr. Chairman.

Mr. GREY. That, Mr. Chairman, concludes our exhibit presentation.

CONFERENCE CONCERNING QUACKS

Mr. FOGARTY. What about this conference that was held with the AMA recently? You were in on it.

Mr. LARRICK. Yes; I would say we were not only in, but we and the AMA set it up.

Mr. FOGARTY. Could you do it without the AMA or—

Mr. LARRICK. Yes; but we thought it was good to have the AMA. It was not just the AMA; it was the key professors in a great many of the medical schools; it was the State enforcers of the food and drug laws; and it was a great many other people and organizations. We need the AMA very much when it comes to the scientific side of our work. We cannot win a false medication case unless we can get the doctors to come in and testify.

Mr. FOGARTY. I see.

Mr. LARRICK. So we make a basic distinction between the economic philosophy of the American Medical Association and the scientific side of it.

Mr. FOGARTY. I do not want to get you into any argument here. I was just thinking about it.

Mr. FOGARTY. What is going to grow out of it?

Mr. LARRICK. Of the quackery conference?

Mr. FOGARTY. Yes.

Mr. LARRICK. Well, I have a letter in my desk now; the California group wants to put one on out there. I think it will make our role easier to get doctors to testify. Doctors have been difficult for us to get.

Mr. FOGARTY. I know.

Mr. LARRICK. To interrupt their practice and testify in these cases.

Mr. FOGARTY. What is the biggest quack operation in the country today?

Mr. LARRICK. In food?

Mr. FOGARTY. I was thinking about medicine.

Mr. LARRICK. I think probably—I do not want to mention it until we win the case—but we think some of these other cancer cures that we have not gotten around to yet are the biggest. It will take us a year. I would say, to run down all our cases and try to disprove all their cures. I would think that cancer was the No. 1 quackery field.

And when you get into the field of treatments for arthritis and rheumatism, they are big business. They are not usually diseases that

end fatally, but the person is very uncomfortable who has to live with arthritis. And they take these quack remedies in place of conventional treatment. We have joined with the Arthritis and Rheumatism Foundation to work cooperatively, they on the education end of it and we on the enforcement end of it.

And we have tied up with the American Cancer Society. We have tried to join not only with the AMA but also those societies or groups that try to do things for groups of people who have specialized diseases, because one big problem is not only to find medicines that will cure these diseases, but also to protect people against frauds. We are finding that these special groups are very much interested in that phase of the problem.

Mr. FOGARTY. Do you have any big operations like this fellow Hoxsey?

Mr. LARRICK. We have not gotten far enough with it yet to make it public.

Off the record.

(Discussion off the record.)

AMPHETAMINES

Mr. LARRICK. We are also doing a lot of undercover work on these amphetamines. That thing is terrific.

Mr. FOGARTY. Is it still concentrated in the Southeast more than anywhere else, or is it all over the country?

Mr. LARRICK. It is, I think, pretty much out in all areas where you have really heavy truck traffic. In the areas with meager population I do not think it is so bad.

Mr. FOGARTY. We do not hear of it much in New England. I think it is probably there, but you do not hear about it.

Mr. LARRICK. We have cases up in Rhode Island, I think.

Mr. HARVEY. It is more of a short-haul area.

Mr. LARRICK. I think that is the point. Where the haul is more than 8 hours, where it begins to go up to 24-hour hauls, then you tend to try to keep awake.

Mr. FOGARTY. Is there anything else you would like to say before we recess for the day?

Mr. LARRICK. I want to say on behalf of the whole staff that I think this committee has done a great deal to increase the morale of the Food and Drug Administration, as well as the physical facilities that we have. And I think you gentlemen are well and favorably known to the Food and Drug Administration from top to bottom. We hope to deserve your support.

Mr. FOGARTY. That cut in the current year's appropriation did not help any, did it?

Mr. LARRICK. It did not help a bit.

Mr. FOGARTY. It hurt a little bit, did it not?

Mr. LARRICK. It hurt a little bit, that is right.

Mr. FOGARTY. All right, we will see if we cannot do something about straightening it out.

PER CAPITA COST OF FDA ACTIVITIES

What do you think you will be spending in about 5 years from now?

Mr. LARRICK. We are spending now about 12 cents per American with this budget that you are talking about.

Is that about right?

Mr. CARDWELL. I guess about 15 or 16 cents.

Mr. LARRICK. 15 or 16 cents. I think the American public ought to be willing to pay 30 cents apiece for the protection they get out of this Department.

Mr. FOGARTY. Yes. I think in 5 years you should be close to that. Thank you very much, Mr. Larrick.

Mr. LARRICK. Thank you, sir.

FRIDAY, FEBRUARY 2, 1962.

OFFICE OF VOCATIONAL REHABILITATION

WITNESSES

MISS MARY E. SWITZER, DIRECTOR

E. E. FEREBEE, DEPUTY DIRECTOR

JOSEPH HUNT, ASSISTANT DIRECTOR, STATE PROGRAM OPERATIONS

JOSEPH M. LaROCCA, ACTING ASSISTANT DIRECTOR, RESEARCH AND TRAINING

SAMUEL E. MARTZ, ASSISTANT DIRECTOR, MANAGEMENT SERVICES

MRS. EMILEY M. LAMBORN, CHIEF, DIVISION OF STATE PLANS AND GRANTS

MISS CECILE M. HILLYER, CHIEF, DIVISION OF TRAINING

CARL L. FREY, CHIEF, DIVISION OF BUDGET AND FISCAL OPERATIONS

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

GRANTS TO STATES

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Vocational rehabilitation services.....	\$54,302	\$62,950	\$71,240
2. Extension and improvement projects.....	1,019	1,500	1,700
Total program costs—obligations (object class 41).....	55,321	64,450	72,940
Financing: Unobligated balance lapsing.....	879		
New obligational authority (appropriation).....	56,200	64,450	72,940

RESEARCH AND TRAINING

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
21 Travel and transportation of persons.....	\$33	\$35	\$60
25 Other services.....	1,152	1,235	1,540
41 Grants, subsidies, and contributions.....	14,220	17,928	22,300
Total obligations.....	15,405	19,198	23,900

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Research and demonstrations.....	\$8,163	\$8,975	\$10,200
2. Training.....	7,242	9,500	12,700
3. Special center program.....		723	1,000
Total program costs—obligations.....	15,405	19,198	23,900
Financing:			
Comparative transfers to other accounts.....	75		
Unobligated balance brought forward.....	—110		
Unobligated balance lapsing.....	60	1,052	
New obligational authority (appropriation).....	15,430	20,250	23,900

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
21 Travel and transportation of persons.....	10	50	65
41 Grants, subsidies, and contributions.....	390	1,780	1,807
Total obligations.....	400	1,830	1,872

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities: Rehabilitation research and related activities—(total program costs—obligations).....	400	1,830	1,872
Financing:			
Unobligated balance brought forward.....		—530	—72
Unobligated balance carried forward.....	530	72	200
New obligational authority (appropriation).....	930	1,372	2,000

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	1,497	1,654	1,808
Positions other than permanent.....	32	52	52
Other personnel compensation.....	78	114	114
Total personnel compensation.....	1,607	1,820	1,974
12 Personnel benefits.....	110	126	136
21 Travel and transportation of persons.....	112	145	162
22 Transportation of things.....	1	2	3
23 Rent, communications, and utilities.....	36	40	46
24 Printing and reproduction.....	46	48	52
25 Other services.....	51	59	66
26 Supplies and materials.....	17	18	20
31 Equipment.....	23	25	26
Total costs.....	2,003	2,283	2,485
Change in selected resources.....	-8	2	1
Total obligations.....	1,995	2,285	2,486

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	197	215	231
Full-time equivalent of other positions.....	4	5	5
Average number of all employees.....	188	208	224
Number of employees at end of year.....	218	245	261
Average GS grade.....	9.3	9.3	9.8
Average GS salary.....	\$8,110	\$8,160	\$8,360

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. State program operations.....	917	1,010	1,061
2. Research and training.....	442	536	637
3. Executive direction and program coordination.....	340	423	457
4. Management services.....	304	314	330
Total program costs.....	2,003	2,283	2,485
Change in selected resources ¹	-8	2	1
Total obligations.....	1,995	2,285	2,486
Financing:			
Comparative transfers from other accounts.....	-75	-----	-----
Unobligated balance lapsing.....	39	40	-----
New obligational authority (appropriation).....	1,959	2,325	2,486

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$16,000; 1961, \$8,000; 1962, \$10,000; 1963, \$11,000.

Mr. FOGARTY. We have before us this morning the Office of Vocational Rehabilitation.

Miss Switzer, it is always nice to see you. You are always welcome here.

GENERAL STATEMENT

Have you a statement for us?

Miss SWITZER. Yes, Mr. Chairman. I have a statement which I would like to have put in the record and summarize to save the committee's time.

Mr. FOGARTY. Take as much time as you wish.

(Miss Switzer's prepared statement follows:)

GENERAL REMARKS

Mr. Chairman and members of the committee, it gives me great pleasure to present this report of the current status of the vocational rehabilitation program and of the progressive plans for the future incorporated into the budget request for 1963.

Much of the gratifying progress that is being made in improving our rehabilitation services, in serving larger numbers of our disabled, and in rehabilitating larger numbers of the more severely disabled can be attributed to the determination of the administration and of the Congress to advance the rehabilitation program as rapidly as the individual States are able to go forward.

In his health program message to the Congress, transmitted on February 3, 1961, President Kennedy stated:

"This administration intends to see that the rehabilitation of disabled Americans and their return to active and useful lives is expanded as rapidly as possible. Our Federal-State program of vocational rehabilitation and the cooperating voluntary agencies must be assisted in providing more nearly adequate facilities and services to reach the thousands of persons who become disabled every year. We need their talents and skills if our economy is to reach a high level of performance."

The 1963 estimates are geared to these policies and goals. These propose to achieve the maximum number of rehabilitations possible next year under existing legislation by providing sufficient Federal funds to match all available State funds for basic rehabilitation services and by increasing Federal grants for the extension and improvement of State rehabilitation programs.

The estimates propose that Federal grants for basic rehabilitation services be distributed to the States on an allotment base of \$110 million. This allotment base will permit the full matching of all available State funds except an estimated \$225,000 in 4 jurisdictions (Delaware, District of Columbia, Kentucky, and Nevada). In order to insure that all available resources in the basic Federal-State program are fully utilized, the appropriation language includes a provision for an additional distribution of \$240,000 of Federal matching funds to these four jurisdictions. Thus, for the first time since 1955, no State funds will remain unmatched under the basic Federal-State program.

Efforts will also be increased to realize more fully the potential benefits of the extension and improvement program which is designed to stimulate State agencies to extend and improve their rehabilitation programs. The 1963 estimate provides for increasing the minimum allotment to a State from \$5,000 to \$15,000—a level which experience has shown to be necessary to broaden the scope of projects and the kinds of activities initiated. An estimated 20 jurisdictions will benefit from this increase in the minimum allotment. This will require an increase of \$200,000 in the appropriation for section 3—from \$1,500,000 to \$1,700,000.

The 1963 Federal-State rehabilitation program will provide services to 394,000 disabled persons, 38,000 more than this year. In 1962, we will cross the 100,000 mark in persons rehabilitated during a fiscal year. And, in 1963 we expect another increase of 10 percent. The number rehabilitated and placed into employment will total 110,400, a jump of 10,400 above the anticipated 1962 level. This is possible because the States are accepting the challenge of accelerating their programs and are increasing their share to \$45.7 million in 1963, an increase of almost \$6 million in 1 year.

This is sizable growth. It is indicative of the success of the continuing efforts of the States to meet their rehabilitation needs. These increases become even more impressive when it is realized that they are being achieved while larger numbers of the more difficult cases are being served each year. For example, while total rehabilitations increased 60 percent between 1955 and 1961, the num-

ber of mentally retarded persons rehabilitated increased more than sixfold during this same period (3,500 as compared with 531) and the number of persons with mental illness rehabilitated nearly tripled (5,100 as compared with 1,793). As the result of the continuing emphasis on the rehabilitation of these and other severely disabled groups, the numbers rehabilitated will become increasingly larger as illustrated by the 5,400 mentally retarded and the 6,800 mentally ill expected to be rehabilitated in 1963 by the State agencies.

Along with marked increases in volume of services to the disabled, there also have been significant developments in the breadth and depth of the services rendered. Many State agencies have assigned staff to work exclusively with disability groups such as the mentally retarded and the mentally ill. Cooperative programs are being developed by the States with other public agencies and voluntary groups to work together to meet the needs of the more severely disabled. Projects to extend and improve rehabilitation services are pioneering the programs geared to meet the service needs of special disability groups and in developing new methods and techniques in serving the disabled.

The humanitarian value of the rehabilitation program is beyond estimation. The economic values that accrue can be indicated in terms of monetary returns and productivity. An estimated one-fifth (18,500) of the 92,501 disabled persons rehabilitated in 1961 were receiving public support at acceptance or during rehabilitation at an estimated annual cost of \$18 million of Federal, State, and local funds. Their rehabilitation—a one-time outlay—cost approximately \$18 million. Over 75 percent of the total rehabilitants were not working at the time they were accepted for rehabilitation services; the remainder were working at very low wages. The annual earnings of the combined groups after rehabilitation are estimated to be about \$180 million. These rehabilitants will contribute about 137 million man-hours of work to the Nation's productive effort.

In this period when increased attention is being directed to rehabilitating those who are on public assistance, the continued success of our State vocational rehabilitation agencies in moving thousands each year from dependency to self-support is particularly noteworthy. This is being brought about both through close day-to-day working relationships between the State vocational rehabilitation agencies and the welfare agencies, and through the demonstrations in key localities of the potentials of rehabilitation. We are doing much in this area and, with the increase projected for next year, expect to do more. As we have pointed out in previous years the economic return from rehabilitation is most significant. Our latest data indicate that the rehabilitants will repay \$7 in Federal income taxes for every dollar invested in their rehabilitation.

These continuing advances in the rehabilitation service program could not have been achieved without the OVR programs of research and demonstrations which add to our knowledge about disabling conditions and how they can be surmounted, and of training which seeks to overcome shortages of scarce manpower skills required to carry out the rehabilitation programs.

RESEARCH AND DEMONSTRATIONS

The importance of the research and demonstration program is increasing every year. Not only are research and demonstration projects developing new knowledge but the expanding network of projects is providing an increasingly important resource to the State vocational rehabilitation agencies for the rehabilitation of those groups now inadequately served. Many of the research and demonstration projects are proving the feasibility of rehabilitating the severely disabled by actually providing services and rehabilitating severely disabled persons. The 175 projects of this nature supported in 1961 provided services to an estimated 18,000 disabled persons and rehabilitated 4,100. About 11,000 of those receiving services and 1,800 of those rehabilitated were not clients of State rehabilitation agencies and would not have been served otherwise.

And, I might point out that, in a meeting with the OVR regional staff just concluded, it was determined to give the demonstration phase of our program as much added emphasis as is possible within the 1963 budget request. New types of selected demonstrations based on successfully completed projects are being developed for the mentally retarded and mentally ill, the restoration of disabled public assistance recipients to employment and the rehabilitation of the deaf and those with speech and hearing disorders.

The response of universities, rehabilitation facilities, and voluntary community agencies to the possibilities of developing research and demonstrations has been tremendously encouraging. New grant applications processed during 1961

totalled 213, the largest of any year to date, and experience thus far this year indicates that the number will rise to 250 during 1962 and to 300 during 1963.

The 1963 estimate of \$10,200,000 for the research and demonstration program provides an increase of \$1,225,000 over the 1962 operating budget level. This permits us to continue about 205 projects started in prior years, or 20 more than were continued in 1962. The 1963 estimate also provides for the initiation of the same number of new projects (85) as is provided for in the 1962 operating budget plans.

Our research program continues to become more diversified, and important rehabilitation problems are being identified in increasing numbers. It is essential that we maintain the growing interest of the creative research talents of our universities, medical schools, and research organizations by providing financial support for a reasonable proportion of good projects. Furthermore, the new and improved methods of rehabilitating the more severely disabled developed by the research must be translated as quickly and as widely as possible into services for those disabled groups. Six years of experience with our research program has shown that the most effective way to expand services to these groups is through demonstrations in selected communities to make the rehabilitation potentials self-evident.

Since 1957 special effort has been made to put research results into practical use as soon as possible through a series of projects called "selected demonstrations." These are projects which put into effect techniques successfully developed on an experimental project. About 86 of these demonstrations have been approved in 11 different categories including mental retardation, optical aids for those with low vision, cerebral palsy, workers with emotional problems, older disabled workers, the epileptic, and the mentally ill. These projects give immediate service to types of disabled persons who would not otherwise be helped.

The demonstration effect of these projects often is powerful enough to influence professional practice and public opinion on a wide scale. A project in the State of Washington, aimed at introducing rehabilitation practices into nursing homes, has created statewide interest among nursing home operators and public and volunteer agencies. This interest has resulted in a significant number of nursing homes developing their own rehabilitation programs and employing qualified personnel, and organizing training programs for volunteer workers. Similarly, a project for the rehabilitation of the mentally retarded initiated in a city in northern Louisiana has touched off the development of statewide services by the State vocational rehabilitation agency for rehabilitating this long-neglected group.

Each year I have attempted to select from our many projects a few examples to illustrate and dramatize the importance of the research and demonstration program to the advancement of the rehabilitation effort. Selecting just a few is becoming more and more difficult because of the increasing scope and depth of the program. First, I want to mention some of the significant progress being made in the prosthetics field. The Case Institute of Technology of Cleveland, Ohio, in cooperation with nearby Highland View Hospital, has inaugurated a series of significant research studies in physical medicine and engineering dealing with some of the most vexing and troublesome problems in rehabilitating the paraplegics and other orthopedically severely disabled. The project, for example, is working on developing a device to help the paraplegic solve the problems of the activities of daily living such as eating without assistance from another person. Bed sores developed by persons who are confined to bed or wheelchairs are a constant problem in rehabilitating the chronically ill; a project is experimenting with devices which measure body pressures and their relationships to the bed sores. In still another very intriguing project, the technicians are trying to harness the electrical energy in the living muscles of the paraplegic to trigger a device to help him lift or control a prosthetic appliance.

Some of the most dramatic and effective results of the research and demonstration grant programs have been achieved through projects dealing with the chronically ill and the aged disabled. These projects have explored several very promising types of service which would form the foundation for a comprehensive program for these groups. In 1961, nearly 20 percent of the new projects were concentrated in the fields of aging and chronic illness.

For example, a county health department is developing techniques for training a special category of occupational therapy assistants to work in nursing homes in order to increase rehabilitation services to older, chronically ill persons; a private hospital has a project concentrating on the vocational rehabilitation of

patients disabled by arthritis; a general hospital is investigating the relationship of the emotional makeup and physical handicaps of the aged with particular reference to physical immobility as a basis for formulating rehabilitation services.

There is, as you know, widespread interest in our younger people—their employment and their educational problems. OVR long has recognized the needs of this group and one of the most important segments of our research and demonstration program is concerned with the rehabilitation of mentally, emotionally, and physically handicapped adolescents. Several projects in various parts of the country, in cooperation with special education programs in the schools, are developing methods of academic training and vocational evaluation, vocational training, and job placement for young retarded individuals. In order to prevent dropouts and to begin rehabilitation services early enough to influence successful vocational choices, one project is introducing intensive vocational counseling into the high school program in a metropolitan county for all types of disabled students in the regular school classes. Another project is combining vocational counseling with home teaching for severely orthopedically disabled students who are homebound or who cannot attend school regularly and, a project at Butler Health Center, Providence, is attaining considerable success in dealing with predelinquent tendencies in emotionally disturbed young people and in helping them in school and directed toward completion of school and entry into carefully selected job opportunities. Another project, located at an institution for committed delinquents, is attempting to give these young people the benefits of counseling, work training, and useful production.

All of the projects are working with youngsters who, because of their handicaps, would be eligible for rehabilitation services. Upon completion of these activities we will have gained a related body of knowledge which will provide us with a greatly improved capacity to help our disabled youth to enter the labor force, and in the process help a large number of young people achieve independence.

Another important research area relates to the rehabilitation of those with speech and hearing disorders. About 8 million people in the United States have defective hearing or speech serious enough to handicap them in their vocational adjustment and social relationships. Nearly 250,000 people are deaf, 90 percent of whom are estimated to be under 65 years of age, and have serious educational, vocational, and social deficiencies arising from their isolation and communication problems.

Thus far the OVR has supported about 50 research and demonstration projects in speech and hearing. These include studies in aphasia, cleft palate, esophageal speech, stuttering, lipreading, auditory testing and training, and speech discrimination. OVR is supporting studies in the very important area of the mental health of deaf people and the effects of deafness on the learning process. This research is being translated into services for the deaf. Two projects are particularly interesting. Gallaudet College, with OVR support, has established a counseling center for deaf individuals. Since deaf people have little access to any psychological services because of communication problems, the counseling center at Gallaudet is attacking this problem by recruiting experienced psychologists and training them in manual methods of communication. The plan is to demonstrate the value of providing personal, social, vocational, and educational counseling for deaf persons.

The American Hearing Society is engaged in a very significant project to extend comprehensive hearing services, particularly to difficult cases living in smaller communities where such services would usually not be available.

This will be done by setting up relatively small hearing centers in the communities to provide basic auditory evaluation and rehabilitation services, and, through a prearranged affiliation with a larger comprehensive speech and hearing center, refer to it the more difficult cases for the necessary services.

The rehabilitation of the persons with hemophilia has been too long neglected—a severe age-long condition which greatly limits the individual's vocational opportunities. An OVR project is showing their need for physical restoration, vocational counseling, and selective placement and is demonstrating the high degree of vocational success attainable when comprehensive services are instituted and maintained.

TRAINING AND TRAINEESHIPS

Our ability to continue to strengthen the training program has resulted in a gratifying increase in the numbers of trained personnel entering the rehabilitation field. Yet the shortages continue to be acute as a result of the continuing expansion of the service program and the increasing accent on providing services to the more severely disabled.

The 1963 estimate requests \$12,700,000 for training, traineeships, and research fellowships. The increase of \$3,200,000 over the 1962 operating budget plan will enable us to increase long-term training by 46 teaching grants and 875 traineeships, principally in the fields of rehabilitation counseling, medicine, speech and hearing, occupational therapy, and physical therapy. The estimate also provides for additional assistance to educational institutions in providing short-term intensive courses to increase the professional competency of workers already in rehabilitation. Short-term courses have been held in all professional fields—for physicians, dentists, nurses, occupational therapists, physical therapists, speech pathologists, audiologists, psychologists, social workers, and rehabilitation counselors.

One of the main increases in teaching grants planned for fiscal year 1963 is in the field of medicine. We want to reach as many of the schools of medicine and osteopathy as possible and plan 12 new teaching grants in medicine to bring the total grants to 70. These grants help to increase the number of specialists in physical medicine and rehabilitation, the medical specialty primarily concerned with rehabilitation. The need for such specialists is acute; there are approximately 400 at the present time, and there is a need for 3,000. The need for medical educators equipped to give leadership in the field is being met through an academic careers program to produce broadly trained academicians.

The traineeships in medicine will be divided among residencies in physical medicine and rehabilitation, undergraduate training for students interested in the field, and advance training for academic careers.

We plan to increase training in the field of rehabilitation counseling, where the need for adequately trained professional staff in sufficient numbers is vital to State vocational rehabilitation agencies, by providing three new teaching grants and 151 new traineeships.

Speech pathology and audiology is a third area where the need for trained personnel is acute. To provide therapy for the 8 million Americans who suffer from impaired speech or hearing, it is estimated that we need more than twice the number of clinicians currently employed. To reach and retain the required number, we need to train twice as many students as we now have. We plan 5 new teaching grants and 140 new traineeships in 1963.

We also plan increases in long-term training in 1963 for other fields such as prosthetics and orthotics, occupational therapy, physical therapy, and psychology. In all of these, continued progress is important to rehabilitation.

Short-term training courses are educational experiences designed to orient professional personnel to rehabilitation philosophy and practices, to teach new concepts and methods or to provide a refresher for those returning to practice. In previous years, short-term courses have been held in all professional fields—for physicians, dentists, nurses, occupational therapists, physical therapists, speech pathologists, audiologists, psychologists, social workers, rehabilitation counselors. Some have been conducted on a multidisciplinary basis and have been concerned with problems of more effective communication and cooperation in serving disabled persons. Some have been concerned with ways in which preparation for professional practice could be improved. Some have dealt with ways in which community planning for rehabilitation could be strengthened through better organization and delivery of rehabilitation services.

Courses are usually 3 to 5 days in length but some have been as long as 4 weeks. Many are on an interdisciplinary basis, stressing methods of more effective interprofessional communications and cooperation. Some courses are devoted to improvements in professional education, so that graduates of rehabilitation training programs could be better prepared for rehabilitation practice.

The training program is also helping the State agencies by a program of inservice training to increase the effectiveness of State agency staff and the provision of services to the disabled. In addition to organized staff development programs, a number of training activities to meet special needs have been undertaken.

Regional institutes have been held to increase the knowledge of labor leaders and to stimulate interest in further cooperation on behalf of industrially injured workers. The factors affecting the effectiveness of State agency operations are being studied on a national basis, and a series of financial management seminars for State administrative and fiscal personnel is planned, with emphasis on sound fiscal planning and management and the relation to achieving program goals.

Several training programs of particular significance to the rehabilitation of the blind are also underway. An example is the establishment of a series of intensive courses for State agency personnel who have the responsibility for planning, executing, and supervising vending stand activities. Two university programs for mobility instructors of the blind are augmenting the supply of teachers to train the blind to travel independently. In other courses, State counselors are adding to their capabilities of placing the blind in employment.

It is important that the gains being made in these program activities be continued and accelerated during the coming years. I believe that the advances proposed in these estimates will result in more and better personnel being available to the rehabilitation movement in the years to come.

SPECIAL REHABILITATION RESEARCH AND TRAINING CENTERS

Funds were provided in the 1962 appropriation for the implementation of a special rehabilitation research and training center program to provide for comprehensive medical education and research in support of the development of rehabilitation.

Two centers have been established—one at New York University's Institute of Physical Medicine and Rehabilitation under the direction of Dr. Howard A. Rusk, and another at the University of Minnesota's College of Medicine Service, Department of Physical Medicine and Rehabilitation, under the direction of Dr. Frederic J. Kottke. Both medical schools have comprehensive teaching and research programs in physical medicine and rehabilitation as well as resources for research in other phases of rehabilitation and for training workers in medical and related disciplines.

An agreement has been worked out between the University of Minnesota and the Sister Elizabeth Kenny Rehabilitation Institute under which the facilities of each will be used—in research, teaching, and services to disabled persons. Much of the work will be done in the Kenny Institute and treatment of many of the Institute's clients will provide the basis for both research and training.

This is, of course, a memorable step forward toward increasing our scientific knowledge and toward training professional workers so desperately needed to restore our handicapped people to independence.

The research conducted by these centers will encompass all aspects of the rehabilitation process including the training and placement of the disabled. It will be both broadly directed to rehabilitation problems of national importance and specifically concerned with rehabilitation as it applies to specific diseases or a group of related diseases.

The training program will provide long-term as well as short-term training, and for all categories of students, graduate or undergraduate, working in any of the medical or medically allied and other professions engaged in rehabilitation. The program will provide training in such areas as the principles of rehabilitation, special problems of rehabilitation as related to specific disabilities or groups of disabilities, and the interrelationship of medical and allied medical and other disciplines in the practice of rehabilitation. In all instances, training will be based upon a defined, organized program of instruction designed for undergraduate medical students, interns, residents, and undergraduates and graduates in the allied professions working in the field of rehabilitation.

These two centers are being supported during the current year for an average of 8 months at a cost of \$723,000. An increase of \$277,000 is requested in 1963 to support these centers for a full year.

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

The 1963 request for \$2 million for the purchase of foreign currencies to support rehabilitation research in a limited number of countries in which there are U.S.-owned foreign currencies in excess of the normal needs of the United States. Nine foreign countries are included in 1963. Seven of these countries

(Burma, India, Israel, Pakistan, Poland, Egypt, and Yugoslavia) are participating in the 1962 program, and one country (Indonesia) was in the 1961 program. The ninth country, Syria, is a new addition to the program.

We are now in the second year of this program. Thirteen projects were approved in 1961 and 37 others are programmed for approval this year. Our progress in this program has exceeded our expectations and the response to this cooperative endeavor has been amazing. These 50 projects will use up all of the funds made available in the 1961 and 1962 appropriations, and will be distributed by country as follows: 3 in Brazil, 2 in Burma, 2 in Egypt, 14 in India, 2 in Indonesia, 13 in Israel, 6 in Pakistan, 4 in Poland, and 4 in Yugoslavia.

The cooperative research projects that the Office of Vocational Rehabilitation has developed with hospitals, rehabilitation centers, and agencies in the foreign countries participating in the international rehabilitation research program under Public Law 480, are exploiting the research opportunities abroad on projects which deal with rehabilitation problems of concern both to the United States and the cooperating foreign nation, and are demonstrating to these foreign nations ways in which they can meet their problems of disability. For example, in India the Tata Agricultural and Rural Training Center for the Blind is conducting a project that experiments with ways of rehabilitating the blind as farmers and resettling them in the villages of India. In the United States we need to learn more about how to rehabilitate our blind people living in rural areas. In India the 2 million blind people make such experimentation imperative.

In Israel, the Ministry of Social Welfare is experimenting with methods of training the blind in cone winding, cotton spinning, weft winding, and cotton weaving. Employment of the blind in these activities will broaden their opportunities and lead to their utilization in areas hitherto closed to this group.

The newly completed Children's Rehabilitation Center in Sao Paulo, Brazil, is providing short-term training for brace makers under its project. This project also includes manufacture for the first time in Brazil of prefabricated components for braces. As a result of this project, braces will be better and their cost drastically reduced. Furthermore, the influence of this project will extend beyond Brazil to other countries of South America, including Peru, which has voluntarily and on its own asked to become a part of the project.

A project being conducted in Vellore, south India, is investigating methods for the rehabilitation of persons disabled by leprosy. This project is broad in scope involving surgical reconstruction, vocational training, public education, job placement, and followup. From time immemorial, lepers have been social and economic outcasts. This project hopes to reintegrate them into society.

The Children's Orthopedic Hospital in Bombay is working with severely disabled cerebral palsied children, including those of working age. A similar project in Brazil to prepare the cerebral palsied for employment is being conducted by the Associacao de Assistencia a Crianca Defeituosa in Sao Paulo. In Israel, Malben-JDC is also carrying on experimental techniques for the assessment of the vocational rehabilitation potential and requirements of adult cerebral palsied patients to provide a basis for planning community services and facilities directed toward their employment in suitable jobs.

These brief descriptions of a few of the approved projects show the breadth and scope of the international research program. The numbers and types of projects being submitted reflect the enthusiasm with which the program is received abroad, and the many opportunities that still remain for additional fruitful research in these countries. The \$2 million requested in 1963 will enable us to convert such enthusiasm and opportunities into added knowledge about disabling conditions and how they can be surmounted.

We were also able this year to implement on a small scale one of the additional research authorities provided by section 4 of the International Health Research Act of 1960. The authority implemented is the interchange between the United States and participating foreign countries of scientists and experts engaged in rehabilitation research.

We have been able to support a group of 12 specialists in plastic surgery to go to the Christian Medical College and Hospital in Vellore, India, in rotation, for 2-month periods, to advise and help build a broad program for the rehabilitation of lepers. Their work is tied in directly with the OVR research project in leprosy discussed earlier. All of these surgeons are men of outstanding reputation and are affiliated with the medical schools of such universities as Harvard, North Carolina, Michigan, Johns Hopkins, Yale, Miami, and Texas.

SALARIES AND EXPENSES

The "Salaries and expenses" appropriation enables the OVR to carry out its responsibilities for the Federal-State rehabilitation program and the research and training programs in this country and overseas. It is an important key to the continued successful expansion of these programs.

The 1963 estimate proposes an increase of \$201,000 to provide 16 new positions. Eleven of these positions are needed to provide technical and administrative support to the expanding grant programs and five positions are requested for the inauguration of a small program of direct research.

The 11 positions requested for technical and administrative support are urgently needed to assist the States in expanding their service programs, in serving more of the severely disabled, in efficiently handling the large numbers of referrals from the OASI disability program, and to strengthen services to the blind; to meet the larger workload in the research and training areas arising from the increased numbers of applications for grants and the growing volume of requests for technical assistance by applicants and grantees, and for the analysis and followup of the findings of completed research projects; for increased medical assistance in the research and training areas; and for the increasing workload in the fiscal accounting and statistics area.

We are now also requesting five positions to inaugurate a small direct research program. Our research program has reached the point where an experienced research group, actually bringing up from its own experience not only advances in rehabilitation techniques and methods but also a conviction as to where the focus of the extramural research grant program should be, must be organized.

The possibilities on an intramural effort came into focus more sharply as a result of the establishment this year of the two special research and training centers at the University of Minnesota and Dr. Rusk's institute at New York University. We think that an investment of direct OVR research in each of these institutions specializing in various aspects of medical and allied specializations in the rehabilitation process would make more effective the benefits that can be derived from these research centers. We think, for example, it would be highly important to have staff at both of these centers studying continuously the factor of motivation in rehabilitating the cases that are studied at these research centers. There is not one single more important factor than this one, particularly as the legal, monetary benefits which accrue to disability are increased.

Other areas in which direct research are planned are studies in the area of mental retardation to develop better instruments to predetermine which individuals could best benefit from training; studies relating to neurological disabilities such as multiple sclerosis, epilepsy and neuromuscular diseases not only to uncover new knowledge but also to stimulate more research in these areas.

GRANTS TO STATES

STATEMENT BY DIRECTOR, OFFICE OF VOCATIONAL REHABILITATION ON "GRANTS TO STATES, OFFICE OF VOCATIONAL REHABILITATION"

The 1963 budget estimate of \$72,940,000 for grants to State provides \$71,240,000 for the support of basic rehabilitation services under section 2 of the act and \$1.7 million for extension and improvement projects under section 3 of the act. The estimate continues the policy of recent years of encouraging the States to advance the rehabilitation programs as rapidly as possible.

Basic support grants (sec. 2)

	1961 actual	1962 estimate	1963 estimate
Allotment base.....	\$70,000,000	\$90,000,000	\$110,000,000
Appropriation.....	54,700,000	62,950,000	71,240,000
Federal grants.....	54,302,000	62,950,000	71,240,000
State matching funds.....	33,603,000	39,428,000	45,096,000
Total funds available.....	87,905,000	102,378,000	116,336,000

Almost one-third of a million (320,963) disabled persons received rehabilitation services from the State agencies in 1961. This is a substantial increase of 23,013 over the 297,950 served during 1960. Of the 1961 total, 92,501 disabled persons were prepared for and placed in successful employment. Another 16,515 were ready for and placed in employment but not counted as rehabilitated because sufficient time had not elapsed to prove their ability to remain employed. In addition, there were 23,798 persons who had received medical restoration or training but who had not yet been placed in employment. This "ready for employment" group was 17 percent larger than the 20,452 in that category at the end of 1960.

Returns to the severely disabled from the money invested in rehabilitation facilities are being realized at an increasing rate. In 1961, State vocational agencies secured services from rehabilitation facilities for approximately 17,000 severely disabled clients, over a 50 percent increase from the 11,000 served at facilities in 1960.

Substantial advances in meeting the needs of persons waiting for rehabilitation continue to be made. The number of disabled persons served per 100,000 population has steadily advanced from 131 in 1954 to 166 in 1960 and to 176 in 1961. The number of persons rehabilitated per 100,000 population also increased—from 35 in 1954 to 49 in 1960 and to 51 in 1961. About 4,000 of the persons rehabilitated in 1961 went into the professions, including short-supply fields such as teaching, engineering, and medicine. Over 11,000 went into skilled trades and 8,000 went into agriculture. The others went into managerial, clerical, sales, service, skilled and semiskilled jobs.

For the first time since 1955, the estimate provides for the full Federal matching of all available State funds for the basic support program. This full matching reflects the administration's determination to utilize all available resources to achieve the maximum number of rehabilitations. The proposed allotment base of \$110 million permits the matching under the formula of all State funds except an estimated \$225,000 in four States. The 1963 estimate therefore proposes to permit an additional distribution of Federal funds to match these excess State funds. An appropriation of \$71,240,000 is required—\$71 million for allotments under the formula and \$240,000 for the additional distribution.

This policy of full matching will result in the rehabilitation of about 110,400 disabled persons, an increase of 10,400 over the estimated 1962 level of 100,000. A total of 92,501 rehabilitations were accomplished in 1961. Thus, the accelerated rate of expansion of the rehabilitation program authorized in 1962 will be continued in 1963.

STATE PROGRAM PROGRESS

State staffs and financial support for the program continue to grow steadily to meet the increased demands for service. The average employment of the State agencies is expected to reach 5,929 in 1963, an increase of 430 over 1962. State matching funds for the support program will amount to \$45.1 million, an increase of \$5.7 million over 1962 and \$11.5 million over 1961.

BOASI DISABILITY DETERMINATION PROGRAM

The disability provisions of the Social Security Act enacted in 1954 require that all persons applying for disability benefits must be referred for possible vocational rehabilitation services to the end that as many as possible of these applicants may be returned to gainful employment. The referral requirement has meant that each year the cases of nearly 400,000 applicants for disability benefits, for whom the State agencies make determinations of disability, are also reviewed by the State vocational rehabilitation agencies in order to identify those having rehabilitation potential. More than 10 percent (40,000) of the applicants whose cases are screened for rehabilitation potential are accepted into the referral loads of the State agencies.

Through the Federal-State vocational rehabilitation program, a national effort is being focused on expanding rehabilitation services to serve a larger number of these applicants. During 1961 the Federal-State vocational rehabilitation agencies cooperated in a national study which has enabled the agencies to make more effective use of existing rehabilitation methods and procedures and program resources in providing services to more of these applicants. At the same time, the study highlighted program needs such as funds, personnel, and facilities essential to this rapidly growing and important segment of the overall vocational

rehabilitation program. The study also indicated that the major portion of these applicants are in the upper age brackets and many of them have disabilities of long standing and of severe nature.

EXTENSION AND IMPROVEMENT GRANTS (SEC. 3)

Federal grants under this program offer encouragement and incentive to the State vocational rehabilitation agencies to extend and improve their services. Since establishment of the program in 1954, the Federal support level has been maintained at an appropriation of \$1,500,000 with a minimum State allotment of \$5,000. The 1963 estimate proposes to increase the minimum State allotment to \$15,000 in an effort to realize more of the potential benefits of this program. About 20 jurisdictions will benefit from this increased minimum allotment, requiring an increase of \$200,000 in the appropriation, or \$1,700,000.

Increasing the minimum allotment will permit the broadening of the scope of projects and the kinds of activities initiated, and make a substantial contribution toward developing the services and resources required for the difficult task of rehabilitating severely disabled people. It will be particularly beneficial to States having two separate agencies which must sometimes take turns using the existing \$5,000 allotment.

For example, Alaska and North Dakota, two of the States affected, have made good use of their \$5,000 allotments for such projects as counselors to establish branch offices or work with special groups of the disabled. Increasing the size of the allotments, however, would provide for more intensive and comprehensive programs for such groups as the mentally ill and the mentally retarded, and would open up possibilities for developing additional facilities and resources needed in the rehabilitation of such severely disabled groups.

Summary of fiscal year 1961 projects

By disability served :

Mentally retarded.....	16
Mentally and emotionally ill.....	10
Blind.....	19
Multiple disability.....	18
Aging.....	5
Speech and hearing.....	3
Deaf.....	1
Cerebral palsied.....	2
Alcoholics.....	1
General improvement of program services.....	17
Total.....	92

By activity provided :

Establishment of rehabilitation facilities or workshops.....	26
Small business or vending stand programs.....	7
Assignment of specialized counselors or other professional staff to special disabilities or activities.....	32
Placement.....	6
Public and private cooperative relationships.....	4
Public information and public relations.....	4
Other general program improvements.....	13
Total.....	92

RESEARCH AND TRAINING

STATEMENT BY DIRECTOR, OFFICE OF VOCATIONAL REHABILITATION ON RESEARCH AND TRAINING, OFFICE OF VOCATIONAL REHABILITATION

An appropriation of \$23,900,000 is requested for research and training in 1963, an increase of \$4,702,000 over the 1962 operating budget plan. Of the total, \$10,200,000 is for research and demonstrations, \$12,700,000 for training, and \$1 million for the special center program (rehabilitation research and training

centers). These activities, which are conducted under sections 4 and 7 of the Vocational Rehabilitation Act, as amended, are described in detail below.

	1961 actual	1962 estimate	1963 estimate
Research and demonstrations.....	\$8,163,000	\$8,975,000	\$10,200,000
Training and traineeships.....	7,242,000	9,500,000	12,700,000
Special center program.....		723,000	1,000,000
Total.....	15,405,000	19,198,000	23,900,000

RESEARCH AND DEMONSTRATIONS

Of the \$10.2 million requested for research and demonstrations in 1963, \$7.2 million (an increase of \$1,225,000 over 1962) is required to continue support of 205 projects started in prior years, and \$3 million is requested to initiate 85 new projects which is the same level as is provided for in the 1962 operating budget plan.

Program purposes.—Research and demonstration projects are vital to the improvement and expansion of the Nation's public and private programs for the vocational rehabilitation of the disabled. The projects sponsored by the Office of Vocational Rehabilitation have a wide variety of direct, constructive effects among which are (1) the development of new professional information, methods and devices for more effectively reducing physical, psychological, and social components of disability and for evaluating, training, and placing into employment disabled persons including the extension of rehabilitation services to those disabled persons with the more severe disabilities for whom little could be done previously; and (2) the creation of new job opportunities by demonstrating, through the use of new knowledge and methods, the capacity of disabled persons to produce under competitive conditions in jobs previously closed to them.

Current programs

Significant progress was made in the research and demonstration program in fiscal year 1961. New grant applications processed in 1961 totaled 213, the largest of any year to date, and at least 250 applications are anticipated during 1962 and 300 during 1963. The new grant awards approved in 1961 were widely distributed among disability categories and other technical areas important to vocational rehabilitation.

In 1961 greater emphasis was given to a program of research and demonstrations for the rehabilitation of the more severely disabled and this emphasis is being increased in 1962. These increases have permitted an acceleration of research and demonstration efforts leading toward the provision of rehabilitation services to more of the severely disabled groups. Illustrative of these efforts are the programs now underway in the severe disability categories of aging and chronic illness, mental illness, and mental retardation.

Projects in aging and chronic illness categories.—In 1961 nearly 20 percent of the new projects were concentrated in the fields of aging and chronic illness. Included were 5 selected demonstration projects for work evaluation, training and placement for older disabled workers, and 16 additional projects covering a variety of problems in the general areas.

This category also includes projects to demonstrate the feasibility of rehabilitating severely disabled persons. In 1961, five projects of this type were initiated and six more projects have been started in 1962. These 11 projects, running for 3 years each, will provide sufficient information and experience to carry out the objective.

These projects are designed to encourage the State vocational rehabilitation agencies to take into their caseloads more of the very severely disabled who are not now being served in quantity. The grants for these projects provide funds for case services, research, and general project administration. The design calls for the selection of cases, at least during the first year, from persons who have been allowed OASI disability benefits.

Projects for disabled youth.—Coupled with the keen awareness of the National Advisory Council on Vocational Rehabilitation of the need to meet the requirements of all disabled youth, there has been an increasing willingness on the part of educators to assume greater responsibility for handicapped secondary and college students. As a result, a growing number of projects assist slow learners of high school age as well as the intellectually gifted disabled who desire to attend college.

Colleges and universities generally are not equipped to meet the special but limited needs of the severely disabled gifted student. Some forward strides have been made in this area but all disabled boys and girls of college caliber still do not have equal opportunity to attain their educational aspirations.

A study by the University of Florida that clearly showed the favorable impact of college experience covered more than 300 communities in six States and involved a total of about 500 disabled persons of whom about half were disabled college students. Results conclusively demonstrated that occupational success as well as personal and social adjustment were profoundly and favorably affected by college experience.

A project at the Kansas State Teachers College will study the experience of a number of colleges and universities throughout the United States in meeting the needs of handicapped students. A handbook will be published for college administrators providing information on college facilities and services necessary for handicapped students.

The University of Missouri has undertaken a long-range regional project, initially supported in part by the Office of Vocational Rehabilitation, to establish facilities and services needed by severely handicapped students. One phase of this program concerns existing facilities—student union, health center, dormitories, administrative offices, and classrooms, etc.—adapted to special needs of students having ambulatory difficulties requiring ramps, elevators, and other physical aids.

Rehabilitation of the mentally ill

In stressing the role of rehabilitation in the restoration of the mentally ill, the final report of the Joint Commission on Mental Health and Illness states:

"The objective of modern treatment of persons with major mental illness is to enable the patient to maintain himself in the community in a normal manner * * *."

The Commission thus corroborates the objectives of the research and demonstration program. Since its inception, approved projects have been concerned with establishing, developing community use, and improving therapeutic and vocational rehabilitation techniques of the rehabilitation-oriented therapeutic community hospital, the day hospital, the halfway house, work therapy in the hospital and in related vocational workshop facilities, screening of hospital cases for rehabilitation potential, outpatient counseling and rehabilitation after-care, and evaluation, work training, and intensive placement for emotionally disturbed persons.

The need of the future is to weld together in the community a complete series of the services developed and tested in specialized projects. Such projects would offer, under one comprehensive plan, vocational counseling and testing, sheltered workshop experience, placement and followup, residence in a halfway house, individual and family counseling, various group therapies, and psychiatric consultation.

Rehabilitation of the mentally retarded

As in the case of the mentally ill, rehabilitation of the mentally retarded requires mobilization of many specialized rehabilitation services in the community and the coordination of these with the general program and specific services of other public and private organizations and agencies.

A number of these individual program elements and factors have been developed and tested in isolated projects, but no project has marshaled all of them in a single community as a definitive, controlled experiment and demonstration of a full-scale community effort.

General grant program

The level of productivity and the rate at which new problems are defined and attacked are dependent upon a policy of making a significant number of new grants each year to a wide variety of research and demonstration undertakings. The broader this element is, the greater will be the number of productive projects and the benefits to be derived. This principle was incorporated as one of the eight major recommendations in the final report of the Joint Commission on Mental Health and Illness: "Diversification should be recognized as the guiding principle in the distribution of Federal research project, program, or institute grants from the standpoint of categories of interest, subject matter of research, and the branches of science involved."

More research is needed in rehabilitation factors in specific diseases such as multiple sclerosis, the myelopathies, peripheral vascular diseases, etc. Problems of occupational health and illness, such as factors affecting return to work, the study of extra-insurance risks among the disabled, and studies of the effectiveness of rehabilitation medicine teaching need extensive study. An across-the-board study of the role of the family in rehabilitation of disabled members is indicated by a number of projects which have shown the positive and negative effects which the family can have on the blind, the retarded, the deaf, and the mentally ill. A constructive and supportive family can help to achieve vocational and social success for a retarded, deaf, or blind member. The amount requested in 1963 for new projects will permit the financing of almost one-third of the anticipated applications for general research, demonstration, and selected demonstrations.

Selected demonstration grant program

Since 1957, special effort has been made to put research results into practical use as soon as possible through a series of projects called selected demonstrations. A selected demonstration is a project which puts into effect a program of rehabilitation for a specific category of the disabled, using methods developed in an earlier experimental project. To date, 86 selected demonstrations have been approved in 11 different categories including mental retardation, optical aids for those with low vision, cerebral palsy, workers with emotional problems, older disabled workers, the epileptic, and the mentally ill.

New types of selected demonstrations developed in future years will undoubtedly be more complex and more extensive. In the past, the paramount need was to introduce and show the operation of relatively simple and straightforward services such as the optical aids clinics, or workshop training and placement for a particular disability group. There will still be a continuing need for additional projects of this variety, and the program will continue to fund such activities.

However, the creation of more extensive patterns of service in projects carried out under the research and demonstration program itself makes possible more advanced selected demonstrations. For example, it has been shown that many of the mentally retarded need speech therapy as well as vocational evaluation, training, and placement. In addition, counseling of parents of a retardate is also a highly desirable concomitant of services to the individual patient. Continuous followup after placement by caseworkers and counselors is an additional service which may make the difference between relative success and final vocational failure of many retardates. Future demonstration projects for this group will include these additional activities as standard.

New series of selected demonstrations in speech and hearing services and in services to the deaf will be supported. For the hard of hearing, it is possible to develop a prototype of adequate services—case finding and referral techniques, hearing assessment, vocational evaluation, and counseling. For the deaf, two types of selected demonstrations will be started: One, based on the project at the New York State Psychiatric Institute conducted by Dr. Franz Kallman, will provide psychiatric and psychological treatment and counseling for psychotic and emotionally disturbed deaf persons. Such projects call for expert personnel trained in communication with the deaf and will require continuous funding for a minimum period of 5 years. The second type consists of screening all persons in all schools and institutions for the mentally retarded within a State, identifying those who have hearing loss or are deaf, and removing these to a separate special facility for rediagnosis of the primary disability and treatment of the hearing problem. The prototype for these projects is a study being made by the Michigan Department of Mental Health.

TRAINING

The 1963 estimate provides for the strengthening of training programs in those fields where the shortages of personnel are seriously hindering the provision of rehabilitation services to the disabled and the extension of services to the more severe disabilities. Particular emphasis is given to programs in the fields of rehabilitation counseling, medicine, speech and hearing, physical therapy, and occupational therapy.

The estimate includes \$11,300,000 for long-term training grants and traineeships, \$1,244,000 for short-term training, and \$156,000 for research fellowships. A discussion of our accomplishments and needs in these categories follows.

Rehabilitation counseling

Rehabilitation counselors are employed in State vocational rehabilitation agencies, rehabilitation centers, hospital rehabilitation programs, the public employment service, sheltered workshops, and a variety of rehabilitation programs in public welfare or public health agencies. They work in a close team relationship with physicians, social workers, and other professional personnel serving disabled persons.

Present estimates are that about 600 additional rehabilitation counselors will be needed each year to meet the needs of public and voluntary agencies for replacements or as additions to their expanding staff. The 1963 estimate provides for 39 teaching grants, an increase of 3 over the 1962 level. An additional 151 traineeships are also proposed, bringing the level to 799 in 1963, an average of 20 per training center.

Medicine

Several methods of increasing the supply of physicians specializing in rehabilitation have been adopted. One is through teaching grants to schools of medicine to make possible the instruction of undergraduate students in rehabilitation philosophy and techniques early in their professional training. Another method is by providing traineeships to medical students so that they may have an intensive work experience of 2 or 3 months' duration in research or clinical service in rehabilitation.

In 1961, 148 students received traineeships for 2 or 3 months of intensive work experience in rehabilitation. In 1962, it is expected that 210 students will have similar opportunities.

In spite of these advances, personnel shortages are still great. Although rehabilitation is a concern of many medical specialties, it is a primary responsibility of physiatrists. The present number of qualified specialists in physical medicine and rehabilitation is approximately 400. The needs are for approximately 3,000.

Still another need is for medical educators equipped to give leadership in instruction in physical medicine and rehabilitation. To meet the need for broadly trained academicians, an academic careers program has been initiated. Grants for this purpose offer opportunities to promising physicians for advanced study in fields that will enhance their qualifications for academic posts.

The 1963 estimate proposes a total of \$2,950,000 for 70 teaching grants and 411 traineeships. This is an increase of 12 teaching grants and 78 traineeships. These 12 new teaching grants would include 10 new teaching grants for instruction of undergraduate medical students, 1 for training of interns, and 1 for academic careers.

Of the 411 traineeships, 150 are for residency training in physical medicine and rehabilitation, 249 will be for undergraduate students interested in rehabilitation, and 12 will be for advanced training to prepare for an academic career.

Prosthetics and orthotics

Since 1953, over 5,200 rehabilitation personnel, including prosthetists, orthotists, physicians, physical and occupational therapists, and rehabilitation counselors, have received specialized training in the fields of prosthetics and orthotics in the courses at the three major university programs supported by OVR.

OVR-sponsored traineeships have brought the teams of medical personnel to these classes where the clinic team approach to rehabilitation, practiced today in all of the major hospitals and specialized rehabilitation centers, had its initial impetus and development through student participation in the amputee clinic practice sessions.

Trained personnel in prosthetics and orthotics are urgently needed to staff clinic teams and rehabilitation centers throughout the country. There is also a great need to provide training to residents in orthopedic surgery and physical medicine during their residency training. Incorporation of curriculum content into training programs in occupational therapy and physical therapy, begun in 1961 with a pilot project that reached faculty members in 20 schools, needs to be extended to the remaining 60 schools in 1962 and 1963.

In 1963, \$565,000 is requested to expand the teaching resources of the three major training centers, especially in relation to the development of teaching materials for new courses in fluid-controlled mechanisms and lower extremity orthotics, and for 10 additional traineeships in the 4-year curriculum in prosthetics.

Speech pathology and audiology

The purpose of training grants in speech pathology and audiology is to increase the number of speech and hearing therapists qualified to diagnose and treat adults with communication disorders. During the period 1958-62, the number of universities with teaching grants has grown from 7 to 52 and the number of traineeships from 23 to 275. These grants have enabled the universities to strengthen their graduate courses and clinical practice so that graduates are better prepared to serve adults with speech or hearing problems.

To provide therapy for the 8 to 9 million individuals with impaired speech or hearing, an estimated 20,000 clinicians are needed, more than twice the number currently employed, and an estimated 1,500 students should complete graduate study each year. Since only 777 students completed graduate study in 1961, only about half the numerical need is being met. The Office of Vocational Rehabilitation provided 164 traineeships in 1961, and 275 will be supported in 1962.

The 1963 estimate provides for teaching grants at 57 of the 130 educational institutions and 415 traineeships, increases of 5 teaching grants and 140 traineeships over 1962.

Occupational therapy

Grants to schools of occupational therapy have been directed toward increasing the teaching force so that more students could be admitted, increasing the rehabilitation aspects of the curriculum, and improving the integration of classroom and clinical courses. About half of the 32 schools have received teaching grants. The total enrollment of the 32 approved schools of occupational therapy is slightly over 2,000 and the number graduating each year is about 500. There are about 6,000 occupational therapists now in practice; the estimated need is for about 16,000.

A most significant development has been the marked interest on the part of experienced occupational therapists in graduate study to prepare for teaching or research positions. In 1961, 13 traineeships were awarded for such advanced training, and graduates are already taking key teaching posts. In 1963, \$397,000 is requested for teaching grants in 28 of the 32 approved schools, and for 350 traineeships. This will permit increases of 5 teaching grants and 125 traineeships over the 1962 level.

Physical therapy

Because of high tuition costs and relatively low salaries, the schools of physical therapy are operating at about 75 percent of student capacity. This is a matter of grave concern because physical therapy is an essential element in the treatment of nearly all categories of disability. Many hospital systems are without physical therapy departments, and established departments have many vacancies. Recruitment of students is the most vital need for this field. Additional graduate and undergraduate traineeships must be added to attract students to this field that has such a primary role in the physical restoration of disabled people. To develop the manpower potential, there is also an urgent need for the continued expansion of existing school programs by the addition of qualified instructional staff and by the expansion of supervised clinical facilities.

About 8,400 physical therapists are currently in practice in the United States. An estimated 12,000 are needed for replacements or expanding programs. Between 1954 and 1960 only 4,741 students have been graduated. Since 1958, OVR traineeships have been awarded to 40 experienced physical therapists for graduate study in physical therapy or related sciences, such as anatomy and physiology. Those who have completed their graduate training are now working in key teaching, research, or administrative positions in the field. In 1962, 25 physical therapists are expected to receive graduate traineeships.

The 1963 proposed program: In 1963, \$535,000 is required for 30 teaching grants and 285 traineeships. This will provide for 6 new teaching grants and 150 additional traineeships.

Psychology

Indispensable to an adequate appraisal of a disabled individual's potential for rehabilitation is the psychological evaluation of his capacities and personality. Psychologists capable of constructing and adapting psychological tests for the severely disabled (especially the blind, deaf, mentally retarded, and cerebral palsied) are in extremely short supply and those who are interested in a career in serving the physically disabled are few.

Grants to strengthen the teaching of rehabilitation and psychological aspects of physical disability have been made to 6 university departments of psychology in 1962 and 19 traineeships have been granted for doctoral students interested in specializing in this field. Since 1957, about 40 students have completed graduate training, chiefly at the doctoral level. Funds totaling \$349,000 are requested for a stepping-up of support in 1963. This will provide 6 new teaching grants and 29 new traineeships (to allow an average of 4 at each university).

Other fields

Other professional fields of vital importance to the rehabilitation of disabled persons in which training grants are made are dentistry, nursing, social work, specialized training programs for rehabilitation of the deaf, rehabilitation of the blind, and pilot programs of interdisciplinary training. In each of these fields serious shortages of personnel exist which are hampering the rate of growth of rehabilitation services.

In 1963, \$1,857,000 is requested to support 59 teaching grants and 487 traineeships. This will provide \$143,000 for 9 new teaching grants and \$404,000 for 192 additional traineeships. Included in the increases are 3 new teaching grants and 60 traineeships in the field of nursing; 1 new teaching grant and 2 traineeships in the field of dentistry; 1 new grant and 20 traineeships in rehabilitation of the deaf; 4 new teaching grants and 60 traineeships in social work; and 40 traineeships in rehabilitation center administration and interdisciplinary training.

State inservice training

Staff development programs have been recognized as an integral part of effective administration of State vocational rehabilitation agencies for many years. Since the initiation of special project grants for inservice training of State agency personnel in 1958, two-thirds of the State agencies have made special, organized efforts to assure some measure of continuing training for their staff members. Nearly all agencies now have assigned responsibility, at least for part-time, to a single staff member for direction of the postentry training. Planning for training programs at both State and regional levels has been placed on a systematic basis. The number of employees enrolled in university courses on a part-time basis has substantially increased.

In 1963, an amount of \$291,000 is requested for grants to State agencies, an increase of \$9,000 over the 1962 level.

Short-term training

Short-term courses are educational experiences designed to orient professional personnel to rehabilitation philosophy and practice, to teach new concepts and methods, or to provide a refresher for those returning to practice. The need for continuing professional education throughout every professional person's working life is recognized by every professional field. In rehabilitation, which is characterized by rapid advances in medicine and changes in related rehabilitation techniques, the need for advanced or refresher courses is particularly great. As more workers in rehabilitation acquire basic professional training, the greater will be the demands for further training.

In 1963, \$1,244,000 is requested for support of 135 courses to be attended by an estimated 4,670 individuals. This amount will make possible 35 additional courses, reaching 1,800 more persons than in 1962.

Research fellowships

Fellowships are awarded for research in rehabilitation for the purpose of producing new knowledge or to assist professional personnel to prepare for careers in rehabilitation research.

Since 1957, 56 individuals have received grants. The fields represented have included medicine, psychology, speech pathology, audiology, and a number of others. The research subjects have ranged widely—rehabilitation of the mentally ill, study of the usefulness of projective tests of personality with the adult deaf, language rehabilitation in aphasics, concept formation as influenced by sensory deficit in the blind, and the design of rehabilitation centers.

The shortage of research manpower in the field of rehabilitation is critical; additional people equipped for independent research are urgently needed. The research fellowship program at the predoctoral and postdoctoral levels supplements the support of traineeships at the postmaster's level in all professional fields for the specific purpose of developing research workers.

Funds amounting to \$156,000 for 39 research fellowships are requested in 1963, an increase of 4 fellowships and \$17,000 over the 1962 level.

FOREIGN CURRENCY PROGRAM

STATEMENT BY THE DIRECTOR, OFFICE OF VOCATIONAL REHABILITATION ON RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

The international rehabilitation research program, which is now in its second year of operation, continues its remarkable development. Thirteen projects were approved in 1961 and 37 others are programed for approval this year. These 50 projects will use up all of the funds made available in the 1961 and 1962 appropriations. We have also been able to begin to implement the additional research authorities provided by the International Health Research Act of 1960, for which funds became available in November 1961, with the sending of two U.S. plastic surgeons to India under the scientific personnel exchange program. A 1963 appropriation of \$2 million is requested for the purchase of U.S.-owned foreign currencies to support research and related activities in nine foreign countries under authorities provided by section 104(k) of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, as amended, and by section 4 of Public Law 86-610, the International Health Research Act of 1960. Technical and administrative support for this international program is provided by the regular appropriations.

Research and training (special foreign currency program)

	1962 estimate	1963 estimate		1962 estimate	1963 estimate
Burma.....	\$76,000	\$175,000	Poland.....	\$161,000	\$40,000
Egypt.....	126,000	200,000	Syria.....		70,000
India.....	339,000	600,000	Yugoslavia.....	197,000	25,000
Indonesia.....		90,000			
Israel.....	359,000	500,000	Appropriation..	1,372,000	2,000,000
Pakistan.....	114,000	300,000			

The research and demonstration activities carried on under this foreign currency program supplement and complement the programs conducted within the United States under the Vocational Rehabilitation Act, as amended. The over-sea programs enable us to benefit from the progress that other countries are making in dealing with vocational rehabilitation problems, many of which are similar to those which confront us in the United States, and to avail ourselves of the unique talents and capabilities of foreign scientists working in the rehabilitation field. They also directly benefit the countries involved and contribute to the strengthening of country relationships and the furtherance of our foreign policy aims.

SALARIES AND EXPENSES

STATEMENT BY THE DIRECTOR, OFFICE OF VOCATIONAL REHABILITATION, ON "SALARIES AND EXPENSES, OFFICE OF VOCATIONAL REHABILITATION"

A 1963 appropriation of \$2,486,000 is requested to provide for 231 permanent positions and for 10 reimbursable positions from the Public Health Service. This represents a net increase of 14 permanent positions and \$181,000 over the 1962 operating budget. Components of this net increase are an increase of \$59,000 for the annualization of the 18 new positions authorized and financed for 8 months in 1962, and an increase of \$148,000 for 16 new positions in 1963; a decrease of 2 positions and \$20,000 for the civil defense function which will not be continued in 1963; and a decrease of \$6,000 for nonrecurring equipment costs.

This appropriation enables us to carry out our responsibilities for (1) grants to States for the vocational rehabilitation of the disabled; (2) the Randolph-Sheppard program for State agency licensing of blind persons to operate vending stands; (3) the administration, with the Public Health Service, of the rehabilitation facilities provision of the Medical Facilities Survey and Construction Act; (4) cooperation with OASI in the State agency operation of the disability determination program; and (5) the domestic and foreign research and training grant programs.

The staff increases requested for 1963 are required to meet existing deficiencies in current service; to handle the growing volume of requests for advice and

assistance from the National, State, and local nonprofit agencies who are concerned with the disabled; to provide administrative and technical support to the increases proposed in these estimates for the grant programs; and to establish a small program of direct research. These staff increases will be made in the following major areas:

STATE PROGRAM OPERATIONS

An increase of \$26,000 is requested for three new professional positions—two positions to provide technical and consultative assistance to the States in strengthening and expanding their rehabilitation service programs, especially in providing services to the more severely disabled, and one position to strengthen services to the blind, with emphasis upon workshops and home industry programs to meet the needs of the homebound and severely disabled blind.

RESEARCH AND TRAINING

An increase of \$29,600 is requested for four additional positions needed for the analysis of research project findings and to meet the larger workload arising from the increased number of applications for grants and the growing volume of requests for technical assistance by applicants and grantees.

EXECUTIVE DIRECTION AND PROGRAM COORDINATION

An increase of \$21,000 is requested for two new positions—one position in the health and medical area to increase medical consultation and assistance in the research and training areas and one position in the public information area to assist State agencies in planning and conducting an effective public education program covering all facets of the VR program.

MANAGEMENT SERVICES

An increase of \$12,000 is requested for two additional positions in the fiscal, accounting and statistics area to strengthen existing services and to handle increased workload related to the proposed expansion in the operational programs.

INITIATION OF A DIRECT RESEARCH PROGRAM

An increase of \$59,400 is requested for five additional professional positions to initiate a small program of direct research to insure optimum benefit from the new rehabilitation research and training centers established in 1962 and to increase the effectiveness of the entire extramural research grant program.

GRANTS TO STATES

Miss SWITZER. The estimate this year has several characteristics which we shall discuss as we come to them.

First is the request for grants to States. I believe, for the first time since the act was amended in 1954 we have a recommendation in the President's budget to match all the State funds available.

You will recall we have come close to it in the last couple of years but because of the peculiarity of our formula it always has been inappropriate to have an allotment base high enough to take care of the District of Columbia, Delaware, and Kentucky.

ALLOTMENT PROVISION

This year the President's budget contains an allotment base of \$110 million which will match all State funds except certain State funds in Delaware, District of Columbia, Kentucky, and Nevada. These amount to \$225,000. We have in our estimate language which would provide for the additional distribution of \$240,000 in Federal funds which will match these State funds.

We recognize that this is additional language to that providing the allotment base in the appropriation, but we think it is very fine evidence that the President is strongly behind the Federal-State program.

Mr. FOGARTY. What argument do I use if someone makes a point of order against this language?

Miss SWITZER. It is always a question of the atmosphere on the point of order.

Mr. FOGARTY. What would happen if we do not allow it?

Miss SWITZER. If you do not allow this particular \$240,000 there will be \$225,000, over half of which is in the District of Columbia, which will be unmatched. Put together, \$225,000 plus \$240,000, this is about a half million dollars. If you can overcome the resistance to people's feelings about the language, it means we would have a very substantial increase, particularly in the District of Columbia and Kentucky, two of the places where it is needed very much.

In our section 3 money, our extension and improvement grants, we have attempted in the last several years to increase the amount we have put into this program. There are always mixed feelings about an appropriation which has such balances as this, but this year a compromise was agreed upon, suggested by the Budget Bureau, which did increase the present level from \$1.5 million to \$1.7 million in order that the minimum allotments for the States could be \$15,000 rather than \$5,000. The amount of \$5,000, particularly in a State where it has to be divided between two agencies, is so little that it is not enough to pay even one staff person to do a special job.

It was felt if we had a minimum allotment of \$15,000, to which would be added another \$5,000 provided by the State, this would at least make a start in places which have had difficulty before. I think this is a step in the right direction.

INCREASED NUMBER OF REHABILITATIONS

We are all interested in the number of people who will be rehabilitated. We hope in 1962 to break the 100,000 mark. We have been trying to do this for several years but this year we will do it.

Next year, in 1963, the year these estimates cover, we hope that the momentum very much in evidence even this year, will increase the total to well over 110,000.

I think this is very interesting in light of the stringent financial situation in many States. The State funds have gone up \$6 million this year and \$45.7 million is estimated to be the amount of State funds available in fiscal year 1963. This is a very important and sizable growth, I believe.

Just a word about the makeup of the rehabilitated group in 1961 and 1962 as evidence of what we might hope for in 1963. I think the increases in total numbers are significant in themselves, but the special classes of increase within the total are even more significant. For example, between 1955 and 1961 the total rehabilitations increased 60 percent, whereas the number of retarded people rehabilitated increased sixfold, 3,500 as compared with 531. In mental illness the number has tripled (5,100 compared with 1,793). Taking this rate of increase and projecting it we will have a substantial increase in 1963 in the rehabilitations of mentally retarded and mentally ill, just to mention two categories we have been stressing. State agencies have been doing

a number of things which result in the handling of groups they have not had before. They are putting on specialized counselors to deal with the deaf and the severely disabled. They have recognized that in the rehabilitation of mentally retarded and mentally ill you have to have special training and special insight.

ECONOMICS OF REHABILITATION

The economics of rehabilitation have always been of interest to you. Last year we rehabilitated 92,500 people, and about one-fifth of them were receiving public welfare of one kind or another, public assistance or local welfare. They were getting from public welfare about \$18 million a year. It is just a coincidence that the cost of rehabilitation was just about that, also. The 1-year expenditure takes them practically off relief, which is a very significant figure.

Some 75 percent of the total 92,500 were not working at all when they were accepted for rehabilitation. The annual earnings of the rehabilitants now are about \$180 million. That is a significant contribution to our national product. It is a contribution to the purchasing power and the economic health of the communities in which these people live. It is also a contribution of 137 million man-hours of work a year. That is not an inconsiderable productive effort in itself.

I am sure that the Secretary stressed his feeling that we should be more and more aware of what this program can do in connection with public welfare and public assistance. Ever since I have been Director of this program, even before we had our new act, we have stressed the relationship of dependency to disability and have tried to work closely with public welfare and public assistance programs to take people off relief. I think the figures I have just given demonstrate that. We want to do more of that and continue our work in the field.

That is a little summary of the grants-to-States picture.

Do you want me to continue?

Mr. FOGARTY. It is best to have you go right through your presentation for each appropriation.

RESEARCH PROJECTS

Miss SWITZER. I have research on my mind very much this morning because our Advisory Council is in session. We have so many new good projects we have not been able to finance, and we will have another group recommended at this Council meeting. I cannot stress the importance strongly enough of our research and demonstration program, not only in the development of new knowledge but in the spreading of this knowledge wherever possible. We have had significant gains in our projects dealing with the more severely disabled, projects dealing with the mentally retarded, and projects which in themselves result in rehabilitation over and above the 92,500.

For example, we had 175 projects last year which, in relation to their research and demonstration features, provided services to about 18,000 disabled people.

Of these, about 4,100 finished their rehabilitation. Of these, 1,800 were not included in the 92,500 reported rehabilitated by the State agencies, so you can say we had an additional 1,800 for the year.

We have had a tremendous increase in the interest in our program in the last year or two. Every Council meeting has a great increase in applications. We went from 213 in 1961 to 250 in 1962, and we will have at least 300 during 1963.

The estimate before you is for \$10,200,000, an increase of \$1,225,000 over the 1962 operating budget. As you know, a little more than \$1 million of our 1962 appropriation for research and training was placed in reserve. This estimate provides actually a net increase of only 20 projects. It gives us new money for only 20 projects. We would expect to pick up out of completed projects enough money so we probably would be able to keep the same rate of new projects, certainly not more than, we will be able to finance this year.

I think it is interesting we have, as nearly as I can judge the situation, many more projects than we will be able to pay. We have had so many good projects approved and the Council has been more stringent in their approval of projects. Even so, we have a backlog of approved projects. We will have even more after this Council meeting, and after the one in May.

We have done some very interesting demonstration projects continuing our emphasis on the mentally retarded and optical aids.

RESEARCH PROJECTS RELATED TO OLDER DISABLED WORKERS

One of the most successful groups has been the projects dealing with older disabled workers. I think we have an excellent record, a remarkable record really, in our Federal-State program increasing the percentage of people able to go back into the labor market after age 45, and many over 60.

These projects which concentrate on the disabled worker over 60 have been extremely successful, as many projects as we can afford are being duplicated in various places throughout the country.

We have been able to do some things which have influenced practice in other fields. For example, in the State of Washington we just finished a project which has put rehabilitation practices into nursing homes. This has resulted in stimulating great interest on the part of nursing home operators, so they have picked this up in the State Health Department in Washington.

In one of the most exciting things which has happened in the field of mental retardation, the State Director of Louisiana, deeply interested in the program, but something of a perfectionist and one who never wanted a demonstration program until it was just right, finally got one in one of the cities, and it was so successful that he duplicated it in small communities throughout the State. He told me when he was up last week that nothing he has done in all the years he has been director has so publicized the rehabilitation program in Louisiana, referring now to the small work centers sponsored by the community groups which grew out of the example of our demonstration project in Shreveport.

I always like to give you some examples of the new and exciting things that go on where it may be several years before they can be perfected.

RESEARCH PROJECTS FOR THE SEVERELY DISABLED

There are two projects of interest for the very severely disabled, the paraplegics and the others confined to wheelchairs. The Case Institute of Technology in Cleveland has two projects which are fascinating in their possibilities. First of all, I think it is very fine that the Case Institute is interested in our program and that their engineering staff wants to work with us in bringing the engineering skills which are so famous to bear on our problems. They have chosen a type of project which will attempt to improve the utilization of flail arms, help people eat better, and help them use whatever residual they have in their fingers. If they have nothing, they will try to make some kind of mechanical study which will develop an engineering device to permit feeding. This is one of the most disabling conditions that can happen to people. If people can feed themselves it is psychologically invaluable.

One of the tremendous problems of any person confined to a wheelchair or in bed is bedsores which results in ulcers. Very often these things are very far gone before the outer skin breaks down. The engineers at Case think there is a real possibility for using the theories of pressures. If you had a device which measured body pressure you could relieve that pressure in time so that you could greatly modify the effect of serious pressure sores.

I think this committee would be interested in an article which appeared in the News yesterday. This young man was related to former Secretary Flemming's secretary. One of the first things Mr. Flemming did when he came to the Department was to ask me if there was not something that could be done for this young man who fell off a roof and broke his back.

In the early days in working with him, sores had been a big problem. Now he is back at work. This kind of thing would be so useful to people like him who are tremendously self-reliant. This is a great success story and a great tribute to this young man and his wife.

PROJECTS FOR DISABLED YOUTH

We are always continuing our search for new methods of serving the blind and the deaf. We have been concentrating on developing better projects for our young disabled people. Early in our program we used to place great emphasis on the younger group. Our increased emphasis on the welfare problem, and the concentration of attention on the older group in the last few years caused us to feel perhaps we were getting a little out of balance. Now we are trying to develop again really constructive projects which work with young handicapped people in school in various ways in order to pick up some of the people who would be dropouts if they did not have special attention.

One project in Detroit was approved at the last Council meeting. It will take several districts in the school system in Detroit and really modify the curriculum to deal with all sorts of disabled young adults in this very complex city school system.

We will try to have really good comprehensive programs in Rhode Island, which seems to be coming along nicely. I think we will have a

project for the May meeting. This will try to do a complete program in the State. In a small State like Rhode Island we should be able to do it.

In Texas, which is large and rambling, selective school districts have been very resourceful in working with the rehabilitation program there to plan for young people so that when they leave high school there will be a planned program for them, depending upon whether they want to go on for higher education in college or whether they should have some special vocational training.

HANDICAPPED IN COLLEGE

I cannot remember whether I mentioned at the last hearing a very interesting project which was completed within the year. Handicapped young people who went to college, and an equal number who did not, were studied to see if there was a correlation between the adjustment of young people and the extent of their education.

You might take this for granted and say that of course a better education helps people. However, this study demonstrated very clearly that the degree of adjustment, the degree of stability in employment, and the degree to which an individual could make his way in the community in other ways was directly tied not only to the amount of education he had but to the proper selection of the kind of education, whether it was collegiate, vocational, or whatever would be the most appropriate choice for that individual.

RESEARCH FOR THOSE NEAR JUVENILE DELINQUENCY

One of the most promising projects, too, is the project at Butler Health Center in Providence dealing with young people just barely below the delinquency level, probably due to emotional disturbance, to give them special vocational counseling and training and selective placement. It is very encouraging to see what is happening there. I think in the next couple of years we will be more and more on top of our high school group and try to have specialized programs to deal with them.

RESEARCH FOR THE DEAF

We have to break down our problem in various ways. We break it down by age groups and by disability. In the last couple of years we have been hoping to do more in the field of the hard of hearing and the deaf. This year I think we see some momentum starting in that direction. I have been trying to work out in some community one of these saturation projects which would find people with hard-of-hearing handicaps and try to really concentrate on getting everything they need and see what it takes.

The American Hearing Society has agreed to work with us on this. There would be satellite centers around a given community so we would have community support for it.

Then we have had a lot of studies in speech training, lipreading, auditory testing and training. I could not help thinking how pleased Dr. Wilkerson would be with the efforts that he started before he died, first of all in dramatizing the degree of the problem of speech

and hearing disorders and then seeing how the seeds he planted gradually are beginning to bear fruit. With Gallaudet College we tried to get more emphasis placed on deaf counseling and to attack the problems of speech which are quite acute.

RESEARCH ON HEMOPHILIA

We have one project, and we would like to get more, in the field of hemophilia. I am not sure how many victims of hemophilia we have in this country, but there are many thousands, certainly. This group of people is greatly disadvantaged by their disability. We have never really recognized the things that our program could offer which could stabilize their condition and help them to attain good vocational achievement. We have a project out in Los Angeles working on this. We hope if they validate some of their procedures we will be able to duplicate them and have others adopt them.

I think the chairman made a speech to the National Hemophilia Foundation not long ago and I think there will be a spread of interest in doing something about this problem. I am not sure whether NIH has projects in basic research on this but it is a very disabling condition, not only for the individual, but the family. It affects their whole life in the way the disease is inherited and the psychological impact on the family is pretty demoralizing.

TRAINING PROGRAM

Now I shall move to the training. I think our training program is going extremely well. Here, we are just trying to catch up with the great shortage of trained rehabilitation personnel. The more we extend our facilities and opportunities for service the farther behind sometimes I think we become. We have in the budget an increase in the training appropriation of \$3,200,000 over the 1962 operating budget. This will give us an opportunity to increase long-term training in some of the fields we feel still need special emphasis, speech and hearing, medicine, and so on. The increase in traineeships always is a very important part of the program. We would be able to add 875 long-term traineeships.

The schools of medicine gradually are becoming more indoctrinated with the conviction that exposure to chronic disability is an important part of medical education, and we hope we will be able to see the day when we have a rehabilitation teaching program in every school.

We do not have that now. I think we will have about 65 schools involved by next year. It will take another year or two before we are ready to get all the schools involved. Part of this is due not to a lack of appropriation but a matter of trained faculty members and residents to take the programs. It also has to do with the readiness of the schools to go along.

Each time we bring the schools that have programs together, we are impressed with the way in which the gospel is being spread.

Rehabilitation counseling remains our major need. This is the one place we are putting major emphasis in training.

In speech pathology and audiology, trained personnel is very scarce. We are requesting funds for 5 new teaching grants for 1963 and 140 new traineeships.

One part of our training program which I think is very important is the short-term training.

SHORT-TERM TRAINING COURSES

Our short-term training courses are keeping groups of workers up to date with new developments in medicine and rehabilitation techniques. Bringing the results of research in prosthetics, for example, to bear on doctors and prosthetists dealing with people who need artificial limbs can be effectively done through specialized courses.

Much supplementation of long-term training can be done by intensive short-term training courses. They have been one of our most productive efforts. We also use our short-term training courses as a device to bring groups together for study of how our vocational rehabilitation services in the community can be improved.

For instance, we have had a very successful couple of years' work with the Labor-Health people. First, we had an institute at Atlantic City and then local institutes which bring the organized labor representatives and vocational rehabilitation people together in Labor-Health institutes to discuss what particular problems exist and how they may be solved.

I think the next one of those sessions is going to be in New York in March. This has been very productive in opening up both groups to the problems of others.

It seems to me a very worthwhile program. We have also done several interesting things in the field of the blind. We have had programs to improve the vending stand activities which remain one of the most productive outlets for the training and the rehabilitation of the blind.

MOBILITY PROBLEMS OF THE BLIND

We have also concentrated on getting two university courses going on the problem of mobility. The primary emphasis placed by sophisticated and knowledgeable people in rehabilitation has been on mobility and this goes all the way from the children who are blind to the newly blinded people. This is one of the characteristics of American work with the blind which is superior to that in the rest of the world. Mobility is how blind people can get around. It is amazing how independently blind people can operate. I am not sure whether you happen to know a woman by the name of Genevieve Caulfield who is one of the most outstanding American women I know.

She was blind from a very young age and at one time went to the Far East, Tokyo I believe, to teach.

She is 73 years old now and she won the first Magsaysay Award from the Philippine Government, an award for contributing to international understanding in southeast Asia. She has started schools for the blind in Indonesia, Burma, Vietnam, and Thailand, and she has just been over here counseling with us on our international program, giving us her beliefs on what we need to do in that part of the world.

I questioned her closely on how the children operate, whether they have this complex of having to have somebody with them. I am sure that, as a result of her orientation and ability to move around freely, and her belief in the independence and possible independence of blind

people, much of the program for the blind in southeast Asia can be credited to her and her creative power. She is really a modern saint, and her philosophy permeates that part of the world.

Contrasted to this is what you find elsewhere, even in Western Europe, where blind people, even really competent ones, are accustomed to being taken out in wheelchairs to airplanes.

We have a project in our international program in Burma, training blind people in farmwork. She is going to visit it for us and see what further things can be done. The stress on mobility is an American characteristic of working with the blind. We have great need to establish an orderly course of study for those who are going to be responsible for keeping this very important characteristic of rehabilitated blind people going.

We have one of these programs at Boston College in Boston, in cooperation with Father Carroll's center up there and another one at the University of Western Michigan.

RESEARCH AND TRAINING CENTERS

Now, just a word about the special research and training centers that this committee authorized last year. They got underway in the late fall because the appropriation bill did not pass until September, and it took a little while to get them going. We are very happy with the way they have organized their programs. I think the interesting thing has been that these two leading centers are among the best organized and best supported in the country as a result of this program, and as a result of the grant have been able to do things they long wanted to do, such as bringing on additional research workers, reorganizing their whole management of patients, being able to choose patients with certain disabilities by virtue of our support for patient care, and to keep them as long as necessary and know that they can benefit from this program.

We have very fine agreements between the two institutions and the public programs of rehabilitation in which priority is being given to the clients of State rehabilitation agencies in these research efforts.

I am sure that we will find a great many State people will be given the benefit of this very intensive work just as certain patients are being given this at the clinical center in Bethesda who might not have been able to get into a center or have comprehensive care otherwise.

As I said, even in these two places where there is so much excellent work going on, and such broad-scale training and research programs, even they were able to rearrange, reorganize, and commit staff totally to this, staff that they never would have been able to commit otherwise. I think when they have been going a year or more, we will see great results that will give us a great deal of pride.

RESEARCH PROGRAMS IN FOREIGN COUNTRIES

Our research and training program using excess foreign currencies is one of the very exciting developments we have had in the past year. 1963 will be the third year we have had counterpart funds. The 1963 program is for nine countries: Burma, Egypt, India, Indonesia, Israel, Pakistan, Syria, Poland, and Yugoslavia. This recent bulletin I have here of the International Society for the Welfare of the Disabled has an article on it that is a very complete one and tells the whole

story, and it lists some of the projects the committee might be interested in.

I would be glad to give you copies if you want them.

Mr. FOGARTY. There is a picture of you there, too?

Miss SWITZER. Yes; that is nice.

Everyone was very worried in the beginning that these foreign currencies would be so difficult to use. We find it to be not so, and our people have worked out the program with the appropriate officials, both at the State Department, and in a number of countries, and we have been able to get our projects underway without any trouble. They range all the way from the project for the rehabilitation of victims of leprosy under Dr. Braud in India, to projects for agricultural training of blind people in India and Burma; and bracemaking programs and experimentation in the development of new prosthetic appliances in Brazil.

I, myself, feel, apart from my interest in the rehabilitation program and its international possibilities and potentialities, particularly after talking with Miss Caulfield, that if we could concentrate in some of the countries that are so sensitive and so desperately in need of services of all kinds, some of the simple things we could do for people and learn from them how further simplification is possible, that we would contribute greatly to the President's foreign aid and foreign policy objectives.

There is not any question about it, the response from the countries where we have projects is just phenomenal.

This year we put into effect through the authority of our Health for Peace Act an interesting exchange program where we send specialists from here to certain projects to spend several months exchanging information and techniques, learning from each other. People are going from outstanding university medical schools like North Carolina, Harvard, Michigan, Johns Hopkins, Kansas, and Pittsburgh which have freed some of their top people to cooperate in this program.

This also is a two-way street because these people come back with a knowledge of a part of the world they would never have otherwise. Their eyes are open to the problems of diseases like leprosy in a country like India, where it is a No. 1 health problem, and then they go into countries like Israel which are sophisticated and which have such a high percentage of physicians to the population.

There you see wholly different sets of problems in heart disease and psychiatric rehabilitation.

Mr. FOGARTY. What is the percentage of doctors per 100,000 in Israel?

Miss SWITZER. It is very high. It is several times what we have. We have 1 doctor for 750 people and my guess is that they have, maybe, two or three times that many.

Mr. FOGARTY. If you wish, you can correct the record later on that.

Miss SWITZER. Yes, sir.

(NOTE.—The correct ratio is as follows: The ratio in Israel is 1 doctor per 425 people (1958). In the United States the ratio is about 1 per 790.)

SALARIES AND EXPENSES

The final part of our request is for salaries and expenses, which is always a problem. We are asking in the budget for 16 new positions and 5 of these positions are directly related to our research program.

We had originally recommended to the Budget Bureau that these positions be paid for out of the research and demonstration appropriation, but they have a fixation on that and did not agree. These five people we would like to put on our staff to station in some of our research centers for long enough to enable them, not only to do research there but be in a position to move out and advise other institutions on how to do this.

Mr. Fogarty, you will remember when the Cancer Institute started this type of nonresident public health program, Dr. Shimkin went to California right after the war and this was the beginning of the Public Health Service's effort to have sort of a satellite research program with their own people so that their staff could come back, and when the clinical center was organized, they were able to have some people who had been out in the great centers to do it.

We have a number of fields that really need the concentration of a good research worker. We need one or two people, in the field of mental retardation. We have a great deal going on under our auspices and the President's panel is studying and recommending a great many new things. Also needing study is the effect of automation and unemployment and shortened hours on a whole host of labor operations that have a very, very profound effect on the opportunities of disabled people to get into the labor market. We need very much to have a serious minded research person who can study these things without immediate responsibility for other activities. One who would pull together the different things going on, evaluate them, and help in the design of future programs. We need this in mental health, mental retardation, and we need it in relation to the two centers. We need it in a good many other fields, too. This is a very important need of ours.

We are also concentrating on trying to help the States develop their service programs, particularly in serving the more severely disabled, as well as referrals from public assistance and OASI, and some of the positions we are requesting would be to increase the staff in this field. We have never caught up with the findings of research and their publication and getting them out into the field where the people want to use them. All together, our request for increases in salaries and expenses is extremely modest and very, very much needed.

I certainly hope that you will look with favor on this request and that completes my opening statement, Mr. Chairman.

You have been very patient and I am very grateful to you and to the committee.

FUNDS PLACED IN RESERVE BY THE DEPARTMENT

Mr. FOGARTY. The Secretary was here for two and a half days, as you might have known.

Miss SWITZER. We had a rumor to that effect.

Mr. FOGARTY. One of the reasons he took so long was because of my disagreement with the President and the Bureau of the Budget and the Secretary, in putting in reserve all of this money in HEW. I went to some length with the Secretary the other day about your problem. I could not understand why they would put rehabilitation money in reserve, especially in the field of research and training.

I had been led to believe for many years that this is one area that should be beefed up, that this is an area where you need more people. If you want to do a good job, this has to be done.

You have been telling us for years for every Federal dollar we appropriate we get back about \$10. If the administration wanted to make some money on this, instead of putting funds in reserve, they should have been advocating an increase in this appropriation; is that a fair statement?

Miss SWITZER. Yes, sir. That is a fair statement.

EFFECT OF RESERVE FOR RESEARCH AND TRAINING

Mr. FOGARTY. They put in reserve over a million dollars of your research and training money?

Miss SWITZER. Yes, sir.

Mr. FOGARTY. How is that going to retard your program? What will you not be able to do because of this reserve?

Miss SWITZER. This is really a very, very—

Mr. FOGARTY. I am trying to get the President and the Secretary to reconsider these reserves. I think the Secretary should make recommendations to the President that he release these reserves.

If we can build a case on that, that would convince him, fine.

Miss SWITZER. I am trying to convince them, too.

Mr. FOGARTY. I just cannot understand how we can have all of these reserves in the light of what the President thinks. He said:

I much prefer that obligational authority remain uncommitted where there is any doubt that expenditures would yield substantial returns to the national interest.

I think that if there is any area in Government that yields substantial returns to the national interests, it is vocational rehabilitation.

Miss SWITZER. This is my position, too.

Mr. FOGARTY. These criteria that have been adopted by the Secretary just do not sit right with me in view of the President's statement and other statements he has made in the past. I just cannot believe that the Department is going along with the wishes of the President in view of this statement and other statements he has made in the past.

Just tell us how this reserve is going to retard your program and how much good it would do if this money were released. It is not too late yet to get it released.

Miss SWITZER. We are still agitating, and hoping to get at least some of it released. We would like all of it, but we would certainly like some of it.

Mr. FOGARTY. You mean you would settle for some? Why do you not fight for all of it?

Miss SWITZER. Well, we will fight for all of it, but we will be grateful for anything.

I felt extremely concerned about this because our research and training program is relatively small. It has just gotten its momentum underway and even if we had the whole reserve back, we would still be behind the approved projects that we could pay and—

Mr. FOGARTY. Will you supply for the record all of those approved projects that you are not going to be able to pay, and what benefits might have been derived from these projects, if you were allowed to use this million dollars put in reserve?

Miss SWITZER. I will be glad to.

(The requested information follows:)

OFFICE OF VOCATIONAL REHABILITATION

Research and demonstration projects recommended for approval by the National Advisory Council on Vocational Rehabilitation and unpaid as of February 2, 1962

Projects approved in October 1961:

	<i>Grants requested</i>
American Printing House for the Blind, Louisville, Ky., "Evaluation of the Soroban as a Computing Device for the Blind" (blindness)-----	\$6, 670
Arkansas Enterprises for the Blind, Inc., Little Rock, Ark., "Clinic for the Fitting of Optical Aids for the Near Blind" (optical aids clinic)-----	7, 175
Arkansas Rehabilitation Service, Little Rock, Ark., "Rehabilitation Research—Planning Project Hot Springs Rehabilitation Center" (program development)-----	11, 400
Arkansas Rehabilitation Service, Little Rock, Ark., "To Evaluate the Effectiveness of Small Therapeutic Group Living on Individuals Following Neuropsychiatric Hospitalization" (personality disorders)-----	11, 400
California Society for Crippled Children & Adults, Inc., San Francisco, Calif., "A Planning Project for a Demonstration Program on Industrial Homework in a State Large in Both Urban and Rural Areas"-----	10, 000
Curative Workshop of Milwaukee, Inc., Milwaukee, Wis., "Rehabilitation Services for the Homebound" (services for the homebound)-----	73, 107
Gallaudet College, Washington, D.C., "Vocational Assessment of Deaf Clients" (deafness)-----	47, 332
District of Columbia, Department of Vocational Rehabilitation, Washington, D.C., "Work Evaluation and Training of Older Disabled Workers" (work evaluation of older disabled workers)-----	67, 000
Hawaii State Hospital, Kaneohe, Hawaii, "The Remotivation of Chronic Schizophrenic Men Patients through the Use of 'Work Conditioning in Hospital Work Areas' (mental illness)-----	27, 702
Industrial Home for the Blind, Brooklyn, N.Y., "The Feasibility of Extending the Services of an Optical Aids Center Into the Area of Illumination, Color, and Followup (blindness)-----	20, 995
Institute of Logopedics, Wichita, Kans., "Review and Tabulation of Medical, Psychological, Social, Economic, and Clinical Data on 24,000 Cases with Communication Disorders" (speech and hearing)-----	22, 425
Jewish Employment & Vocational Service, Philadelphia, Pa., "Work Adjustment Center for Older Disabled Workers" (work adjustment center for older disabled workers)-----	53, 250
Los Angeles State College of Applied Arts and Sciences, Los Angeles, Calif., "The Impact of Hospitalization on the Child's Emotional Welfare" (mental illness)-----	10, 941
Massachusetts Mental Health Center, Boston, Mass., "Occupational Rehabilitation of Disabled Mentally Ill Patients" (mental disorders)-----	60, 465
Massachusetts Mental Health Research Corp., Boston, Mass., "Intensive Posthospital Rehabilitation Program for Depressed Mental Patients" (mental illness)-----	60, 520
Medical College of Georgia, Augusta, Ga., "Study and Evaluation of Newly Developed Plastics for Facial Prosthetic Restorations" (prosthetics)-----	11, 161
New Mexico Rehabilitation Center, Albuquerque, N. Mex., "Work Adjustment Center for Severely Disabled Persons and Mentally Handicapped" (work adjustment center for disabled persons with emotional problems)-----	20, 950
New Jersey Rehabilitation Commission, Trenton, N.J., "A Research and Demonstration Project in the Development and Administration of an Independent Living Rehabilitation Program"-----	67, 282

Research and demonstration projects recommended for approval by the National Advisory Council on Vocational Rehabilitation and unpaid as of February 2, 1962—Continued

Projects approved in October 1961—Continued

*Grants
requested*

New York University College of Engineering, New York, N.Y., "Determination of Certain Body Segment Parameters" (prosthetics and bracing)-----	\$38, 155
Oklahoma Vocational Rehabilitation Division, Oklahoma City, Okla., "A Section on Operational Research as an Integral Subdivision of a State Vocational Rehabilitation Agency" (program development)-----	28, 900
Oklahoma Vocational Rehabilitation Division, Oklahoma City, Okla., "A Coordinated Program of Rehabilitation Services for a Select Group of Inmates in the State Reformatory Leading to the Return to Society as a Useful and Productive Citizen" (personality disorders)-----	50, 490
Oklahoma State University, Stillwater, Okla., "Sheltered Workshops Architectural Guide"-----	21, 698
Palm Beach County Association for Retarded Children, Lake Worth, Fla., "Occupational Training Center for the Mentally Retarded" (occupational center for mentally retarded)-----	30, 900
Perkins School for the Blind, Watertown, Mass., "Standardization of Perkins-Binet Tests for the Blind" (visual disorders)---	22, 000
Springfield Goodwill Industries, Springfield, Mass., "Vocational Evaluation Unit" (work adjustment center for disabled with emotional problems)-----	35, 695
Tennessee Association for Retarded Children, Inc., Nashville, Tenn., "A Network of Occupational Training Centers and Sheltered Workshops in Nonmetropolitan Areas of Tennessee, Coordinated by a State Office" (occupational center for the mentally retarded)-----	79, 000
Tennessee Polytechnic Institute, Cookeville, Tenn., "Farm Training Project for Visually Handicapped Persons" (blindness)---	13, 906
United Vocational & Employment Service, Pittsburgh, Pa., "Vocational Rehabilitation of Older Disabled Workers Through an Evaluation and Adjustment Program" (work adjustment center for older disabled workers)-----	46, 527
University Hospital Speech & Hearing Center, Augusta, Ga., "The Development and Evaluation of Correspondence Courses for Parents of Speech Handicapped Individuals" (speech and hearing)-----	14, 488
University of Alabama, University, Ala., "The Creation and Development of a Quantitative System for Evaluating the Vocational Potential and Training Progress of Severely Handicapped Rehabilitation Clients" (mental retardation)-----	19, 050
University of Southern California, Los Angeles, Calif., "Longitudinal Aspects of Chronic Disability" (evaluation study)---	83, 578
University of Virginia School of Medicine, Charlottesville, Va., "The Opportunity for Prevention and Rehabilitation—A Study of the Natural History of Disease" (special study)-----	66, 138
University of Wisconsin, Psychiatric Institute, Madison, "The Therapeutic Process in Group Psychotherapy" (mental illness)-----	44, 313
Western Behavioral Sciences Institute, La Jolla, Calif., "Self-Concept Conditioning and Rehabilitation" (mental illness)---	15, 895
West Virginia Division of Vocational Rehabilitation, Charleston, W. Va., "Development of a Statewide Program for the Vocational Rehabilitation of the Mentally Retarded (Phase II)"---	26, 267
West Virginia Division of Vocational Rehabilitation, Charleston, W. Va., "Governor's Study of the Utilization—Present and Potential—of Disabled Persons in State Employment"-----	16, 390
West Virginia Division of Vocational Rehabilitation, Charleston, W. Va., "A Project To Demonstrate the Role of a Project Director in Charge of Research and Program Development" (program development)-----	13, 668
Subtotal-----	<u>1, 256, 833</u>

Research and demonstration projects recommended for approval by the National Advisory Council on Vocational Rehabilitation and unpaid as of February 2, 1962—Continued

Project approved in February 1962:

	<i>Grants requested</i>
Alabama School of Trades, Gadsden, Ala., "Work Adjustment Center for Disabled Persons With Emotional Problems and for Older Disabled Workers" (work adjustment center for older disabled workers)-----	\$32, 855
American School for the Deaf, West Hartford, Conn., "Development of a Manual of Idioms and Phrases Adapted to the Special Needs of the Deaf" (deafness)-----	13, 200
Brandeis University, the Florence Heller Graduate School for Advanced Studies in Social Welfare, Waltham, Mass., "Impact of Money Payments Because of Disability on Motivation for Rehabilitation"-----	4, 370
Catholic University of America, Bureau of Social Research, Washington, D.C., "Interaction of Deaf and Hearing Persons in Frederick, Md." (deafness)-----	30, 111
Comeback, Inc., New York, N.Y., "Development of a Planned Method of Expanding and Using Community Resources for Recreation Services for the Ill and Handicapped"-----	14, 582
Dallas Rehabilitation Institute, Dallas, Tex., "Feasibility of Vocational Rehabilitation for Handicapped Persons 45 Years of Age and Over" (work adjustment center for older disabled workers)-----	37, 800
Eye-Bank for Sight Restoration, Inc., New York, N.Y. "Corneal Replacement with Optical Prostheses" (visual disorders)-----	23, 024
George Washington University, Washington, D.C., "Rehabilitation Potential in Chronic Obstructive Lung Disease" (respiratory and pulmonary)-----	23, 877
Goodwill Industries of Dallas, Dallas, Tex., "Selective Placement of the Disabled Through Comprehensive Program Specialization and Interagency Cooperation"-----	23, 770
Human Resources Foundation, Albertson, Long Island, N.Y., "Employment of the Mentally Retarded"-----	70, 250
Hyde Rehabilitation Center, Bath, Maine, "Organization and Coordination of Rehabilitation Resources in a Rural State"-----	38, 050
Industrial Home for the Blind, Brooklyn, N.Y., "A Pilot Demonstration Project Concerning the Development of a Regional Rehabilitation Service for Deaf-Blind Persons" (blindness)-----	82, 350
Institute for the Crippled & Disabled, New York, N.Y., "A Study of the Factors Involved in the Rehabilitation of Vocationally Disadvantaged Mental Patients" (mental illness)-----	59, 802
John Tracy Clinic, Los Angeles, Calif., "Animated-Cinefluorographic Films for Speech Rehabilitation in the Aurally Handicapped" (speech and hearing)-----	18, 741
Kent County Board of Education, Grand Rapids, Mich., "Kent Occupational Education and Training Center" mental retardation)-----	58, 640
Laradon Hall Society, Denver, Colo., "Occupational Success of the Retarded: Critical Factors, Predictive Tests and Remedial Techniques" (mental retardation)-----	55, 340
MacDonald Training Center Foundation, Inc., Tampa, Fla., "A Comparison of Three Approaches to Group Counseling Involving Motion Pictures with Mentally Retarded Young Adults" (mental retardation)-----	53, 911
Metropolitan Council for Community Service, Denver, Colo., "Coordination of Sheltered Workshops in the Denver Metropolitan Area"-----	12, 650
National Rehabilitation Association and Council of State Directors of Vocational Rehabilitation, Washington, D.C., "Patterns of Services in Divisions of Vocational Rehabilitation" (program development)-----	51, 290
National Society for Crippled Children and Adults, Inc., Chicago, Ill., "Community Inventory of Architectural Barriers to the Handicapped"-----	25, 300

Research and demonstration projects recommended for approval by the National Advisory Council on Vocational Rehabilitation and unpaid as of February 2, 1962—Continued

	<i>Grants requested</i>
Project approved in February 1962—Continued	
New York Medical College, New York, N.Y., "Sociologic Aspects of the Community Rehabilitation of the Physically Disabled Patient Following Hospitalization" (physically disabled)-----	\$24, 278
New York Medical College, New York, N.Y., "Electrophysiological Measurement in Chronic Ischemia" (neurological)-----	26, 447
New York Medical College, New York, N.Y., "Film on Rehabilitation Training of Student Nurses" (special study)-----	11, 500
United Cerebral Palsy of New York City, Inc., New York, N.Y., "A Research and Demonstration Project to Study Methods for Facilitating the Adaptation of Adults With Cerebral Palsy to Personal, Social, and Vocational Instrumental Roles" (cerebral palsy)-----	59, 926
State University of Iowa, Iowa City, Iowa, "Surgical Rehabilitation of Arthritic Finger Joints by the Use of Metallic Prosthetic Joints" (prosthetics)-----	14, 829
University of Nebraska, Lincoln, Nebr., "Antecedents of Change in Mentally Retarded Persons at Mid-Life: A Longitudinal Study" (mental retardation)-----	27, 508
Worcester Area Association for Retarded Children, Worcester, Mass., "Occupational Training Center for the Mentally Retarded" (occupational center for mentally retarded)-----	22, 500
Subtotal-----	916, 901
Total grant requests, October and February meetings-----	2, 173, 734
Less funds available-----	300, 000
Net unpaid grant requests-----	1, 873, 734

REHABILITATION AS PART OF THE WELFARE PROGRAM

Miss SWITZER. I have asked the Secretary to consider releasing the reserve, particularly for the purpose of concentrating on the public assistance type projects, since this is an area which he feels—

Mr. FOGARTY. I know that the Secretary told us that since Congress went home last fall, he had been spending most of his time in this area of welfare. I give him credit for that because I think this is an area where something should be done.

Yesterday the President sent his message to Congress and one of the strong points in it is emphasis on rehabilitation of those on public welfare. And the Secretary says he is strongly in favor of the same thing.

I think that the President and the Secretary have gone along with your program 100 percent in what they say, and suggest an enlargement of your program in this overall welfare proposal presented to the Congress yesterday.

You said in your opening statement that about 20 percent of those who have been rehabilitated were taken off relief of one kind or another; is that right?

Miss SWITZER. The majority on public assistance, too.

Mr. FOGARTY. One out of five?

Miss SWITZER. Yes, sir. We strongly recommend this.

Mr. FOGARTY. I think it is good. It is good for the people and the local community and the country as a whole. That is why I am sur-

prised they put \$1 million in reserve. I think this message of yesterday is right and I think the Secretary is right when he says he is strong for it, but that doesn't fit in with the action on reserves.

COMMENTS OF WELFARE MESSAGE

Did you write the message?

Miss SWITZER. No; if I had written the message, there would have been other things in there.

It does not go far enough. If I had written the message, or if the message had contained what I recommended go into it, we would have had a little more on vocational rehabilitation.

Mr. FOGARTY. I have not read the message word for word yet. I will do so over the weekend. But in glancing through it I noticed it did deal with vocational rehabilitation.

Miss SWITZER. I think it is a great compliment to our program that this touches on the word "rehabilitation" and the image of rehabilitation, and what our program of vocational rehabilitation is, which is really a constructive approach to people's ability to help themselves. This has been the image and the philosophy that has appealed to the Secretary and the President to do something in this much-needed area.

Mr. FOGARTY. I give them credit but I do not know if they have gone far enough.

Why do you not tell us what you suggested that is not in the message?

Miss SWITZER. I suggested additional legislative proposals that we need in rehabilitation and the extension of our program in the field of independent living in order that we might have a broader base to select people for vocational rehabilitation. It is part of the need in really doing this rehabilitation job in welfare. There are various legislative proposals in the Congress. You ought to be quite familiar with them because you have been involved in most of them.

INDEPENDENT LIVING

Mr. FOGARTY. The one on independent living I am fairly familiar with. What do you think about that bill?

Miss SWITZER. I think it is indispensable to progress in our field, absolutely indispensable. I am doing everything in my power to persuade the administration to take an affirmative attitude toward it at this time.

Mr. FOGARTY. What is holding them back?

Miss SWITZER. I do not know exactly; but I suppose it is a feeling they have too many irons in the fire at this time.

I recommended that it be combined with the welfare legislation. I thought it would have been a very happy package. President Eisenhower in the previous administration combined rehabilitation with health in a message to the Congress.

Mr. FOGARTY. Whether the administration approves it or not, we might be able to get this included. It is not absolutely necessary to have the administration's support to get the bill through Congress, I find.

Miss SWITZER. No; but it is necessary to have administration support to get something in the President's message.

You know we have talked about this many times, and how deeply I feel about the need for this additional legislation in order to give the vocational rehabilitation agencies in the States the authority and the drive to do this job, particularly in the welfare field.

I think it is bound to come, because it is so right, and our projects have proved it, and I believe one of these days we will have it.

Mr. FOGARTY. I think you are right, and I hope that, with your testimony, we might be able to get the Secretary or the President to change his mind and release these funds for this fiscal year.

EFFECT OF RESERVES ON SALARIES AND EXPENSES

They took a pretty good slice out of salaries and expenses, too. We have been having some difficulties in getting your salaries and expenses appropriation up to where it ought to be, and this is going to be a real blow to future efforts.

Miss SWITZER. Of course, this money is not in our base. It seems as though we are going backward, and as of now it is really lost.

Mr. FOGARTY. Yes, and you may never make this up. You may not get what you are asking for for 1963 because of this \$40,000 put in reserve; that is what I am afraid of.

APPROPRIATION STRUCTURE

We discussed this before, but how does the item of salaries in your Department compare with that of the National Institutes of Health? Their salaries are in the same appropriations as their research and training?

Miss SWITZER. Yes. I think most of their supporting and administrative expenses are paid out of the appropriation which includes the research grants. The mental health appropriation paid for the staff in mental health and the cancer appropriation pays for the staff on cancer.

As you know, this is the way I feel: It would be very desirable for us to have it. One year through the efforts of your committee we did get it, but we have never been able to make it stick. Maybe Mr. Kelly would like to explain why.

Mr. FOGARTY. Is this because of the Bureau of the Budget or the Department?

Miss SWITZER. Well, the Department has not been quite as adamant as the Bureau of the Budget even though I am not sure that Mr. Kelly's views are any different. Mr. Flemming was very, very strongly in favor of this approach and did everything he could to promote it, and try to get the Bureau of the Budget to accept it. Mr. Kelly did help, I am sure, to do that; but the Bureau of the Budget has never been in favor of it, and I have never understood why, quite frankly. I just do not understand why.

Mr. FOGARTY. I cannot understand the Bureau of the Budget, period.

ATTEMPTS TO RELATE SALARIES AND EXPENSES TO FUNCTIONS

Mr. KELLY. We did endeavor to take that portion of the "Salaries and expenses" which relate to the administration of the research program, and the conduct of research itself, in this year's budget and

that portion of "Salaries and expenses" which relate to the administration or conduct of the training programs, and put it under "Research and training." We were not successful in that endeavor, although I must say that it was not completely negative. They came back with a proposal which we did not think was a wise one and we did not think this committee would look favorably upon it, but perhaps we were mistaken in our judgment.

They came back with a question of whether or not we would accept putting the whole vocational rehabilitation program into one appropriation. That is, the grants to the States, research, training, and salaries and expenses. This does not appear to us to be a wise method of presentation and we did not adopt it. This would have included salaries and expenses with all of the others and with a breakdown by separate activities. We felt that the experience we had with the committee on the question as to whether or not appropriations were individually set forth, or that we reduce the number of appropriations, would occasion us to run into difficulty on that proposal. We did not adopt it.

MISS SWITZER. I was not in favor of mixing up grants with the States with the rest of the program. I think that just confuses people and would be very difficult to explain to our constituency after all of these years.

I did not think that this would help.

If you had it all in one appropriation, then you might as well have it separately because you have to break it down point by point.

I did not think that, as an alternative, it was at all practical and I would not have been in favor of it at all.

MR. KELLY. The Bureau of the Budget considered it unwise to have a staff in two or more of the appropriations of the Office of Vocational Rehabilitation and turned it down. We had requested direct research staff to conduct research as distinguished from administering the Office of Vocational Rehabilitation, and asked it be included under "Research and training."

Because it did involve staffing and showing people under different appropriations, they said it all had to be treated in "Salaries and expenses."

DEFICIT IN FUNDS FOR APPROVED PROJECTS

MR. FOGARTY. Miss Switzer, I don't believe you have given us facts and figures on the research projects you aren't going to be able to finance this year.

MISS SWITZER. As matters now stand we will have so many research projects we are not able to pay out of this year's money that they would more than eat up any of the increases in this estimate.

It would take about \$2 million to pay the approved projects up to the May meeting, as matters now stand.

MR. FOGARTY. You are talking about 1962?

MISS SWITZER. I am talking about 1962.

MR. FOGARTY. \$2 million?

MISS SWITZER. \$2 million to pay the projects we will have approved, and if we were to get all of our reserve released, we would still go into the next year with unpaid new projects which is not an unhealthy thing. I do not mean to imply that it is.

Mr. FOGARTY. You would still be \$1 million behind?

Miss SWITZER. Still \$1 million behind, and we would still be paying a large proportion of new 1963 money for this year's 1962 projects.

Mr. FOGARTY. This does not make sense to me, putting funds in reserve when you have all of these projects approved and can't finance them.

Miss SWITZER. We would have done much worse with the reserve if it had not been for the fact that the research centers got started so late. We were not able to set a beginning date of July 1, you see, as early as the committee had originally thought, so that instead of paying them the full \$500,000 we paid them enough to carry them until June 30 of this year, which permitted the use of that balance as part of the reserve.

If it had not been for that, we would really have been in trouble.

Mr. FOGARTY. I think you are in bad trouble now because of this reserve. What do you think?

Miss SWITZER. I think so, too.

BUDGET REQUESTS FOR GRANTS TO STATES FOR 1963

Mr. FOGARTY. Your appropriation for 1962 is \$64,450,000 and you are requesting for 1963, \$72,940,000, an increase of \$8,490,000.

You got treated pretty well as far as grants to States are concerned?

Miss SWITZER. That is fine and there is no question about that.

Mr. FOGARTY. On the allotment base, the figure is \$90 million for 1962 and \$110 million for 1963.

Miss SWITZER. With the addition of this point-of-order language, that will pick up the money. I think this is evidence, as far as the Federal-State programs are concerned, the commitment to pick up all of the State money—

LANGUAGE CHANGES

Mr. FOGARTY. You have two language changes; one you spoke about is the \$240,000 concerning additional allotments that will affect the District of Columbia and the State of Kentucky; is that right?

Miss SWITZER. And Delaware.

Mr. FOGARTY. And Nevada?

Miss SWITZER. It happens to affect Nevada this year.

Mr. FOGARTY. Three States and the District of Columbia?

Miss SWITZER. Yes, sir.

Mr. FOGARTY. Have you ever taken this up with the legislative committee?

Miss SWITZER. You mean this particular one?

Mr. FOGARTY. This language?

Mr. FEREBEE. A proposal is being sent to the Bureau of the Budget for approval which would make the language not subject to a point of order.

Mr. KELLY. It has to go to the Bureau of the Budget as a part of our point-of-order bill.

Miss SWITZER. This contains all of our point-of-order language.

Mr. FOGARTY. What about the other language change?

Mr. KELLY. That is not subject to a point of order, our attorneys say. The Appropriations Committee is authorized to establish the minimum.

Mr. FOGARTY. Is it authorized by existing legislation?

Mr. KELLY. Yes, sir.

ESTIMATES OF STATE CONTRIBUTIONS

Mr. FOGARTY. How firm do you think the estimates of State contributions are for 1963?

Miss SWITZER. I think they are very firm. Many States have already had their biannual legislative sessions and I think our estimates are firmer this year than they have ever been.

I do not think there is any question about it. I think that some States, like Georgia and Pennsylvania, will have additional moneys.

Mr. HUNT. Many of the States have already had their biannual appropriations.

Mr. FOGARTY. You had almost \$1 million in the 1961 appropriation that lapsed. What was the reason?

Miss SWITZER. Mr. Hunt perhaps can explain that. If you have 90 agencies, you cannot come out letter perfect.

Mr. HUNT. If you divide by the number of agencies, you will see that it is a fairly small amount.

Mr. FOGARTY. Was it because State contributions were overestimated?

Mr. HUNT. No; it wasn't overestimated. The States have what they call the individual rehabilitation plan and the cost of each of these plans is encumbered on the books by June 30. It is difficult to get all these plans through the books because it requires the staff to see that all of the counselors spend all of the money allotted to them. This is hard to do precisely; in fact, you just cannot, with safety, spend all of your funds. There has to be some residue. We have attempted for years to get the figures as close as possible. About half of the amount applies to the extension and improvement program.

Mr. KELLY. There is some advantage in our relationship with the Congress, but there would be a slight margin in this case because of the nature of the allotment base which is, in effect, a promise to the States that if they can match the funds, we will make them available. If we were to underestimate an appropriation, we would, in good faith, come back to the Congress and ask for an additional or supplemental appropriation. We try to avoid this if at all possible.

NUMBER OF REHABILITATIONS

Mr. FOGARTY. You were a little optimistic last year on the number to be rehabilitated. You told us about 96,000 would be. I notice from the justifications only 92,500 actually were. What happened?

Miss SWITZER. I think several things happened. The figure on those waiting for employment went up very markedly and I think there was a good deal of cumulative effect which resulted in people being rehabilitated but not placed. We do not count a rehabilitation until a person is at work and working for a sufficiently long period of time to be a stable placement. In most of the States there was a percentage increase in those awaiting employment and we were con-

centrating in the next 6 months on trying to reduce that backlog of people waiting for employment. The figures on production for the first months of this year are much better than last year.

Mr. FOGARTY. You told us last year you were going to rehabilitate 103,000 in 1962 and now you are estimating 100,000.

Miss SWITZER. Well, we just felt 100,000 was a little more realistic in view of the fact we fell behind our 1961 estimate. We did not feel we would be justified in going much beyond that.

Mr. FOGARTY. What was Mrs. Hobby's suggestion, that we ought to be rehabilitating 200,000 per year?

Miss SWITZER. We should if we can.

Mr. FOGARTY. You remember she made that statement, but what was the year we should be doing that in?

Miss SWITZER. Of course, we thought we should be doing that by 1959 or 1960. It was an optimistic hope.

Mr. FOGARTY. That was a real optimistic one, was it not?

Miss SWITZER. Yes, sir.

Mr. FOGARTY. If you had sufficient funds and the States were doing a better job, how many do you think you could rehabilitate 10 years from now?

Miss SWITZER. I think we have two or three things—

Mr. FOGARTY. How many people are in that area where they could be rehabilitated?

Miss SWITZER. If you consider both the public and private program, that would really return to work 250,000 to 300,000 people a year and you would be about even with the game, so to speak.

In order to do this a number of things are needed besides money, Federal and State. First, you have to have competent staff, facilities, and a flexible enough series of policies so that you are taking in an everwidening—

Mr. FOGARTY. If you had all this, how many years would it take you to get to the point where you could rehabilitate between 250,000 and 300,000 a year?

Miss SWITZER. We thought we could come close to doing that if we followed a plan we made out by 1970 or even a little before then. If we could have everything we would like in the way of new legislation, maybe slightly more favorable—

Mr. FOGARTY. Do you have a blueprint available?

Miss SWITZER. Yes, sir.

FUNDS NEEDED TO INCREASE NUMBER OF REHABILITANTS

Mr. FOGARTY. Will you put it in the record, just what you need in money, personnel, facilities, and legislation, in order to reach this level by 1970?

Miss SWITZER. Yes.

Mr. FOGARTY. How much should the increase be in this present budget you are justifying to get started on such a program this year?

Miss SWITZER. We rehabilitate a lot of people in our projects which are not included in this 92,501 for 1961. We could do more in this and gradually build up a better climate.

Mr. FOGARTY. Supply that for the record, along with the other information.

(The information follows:)

PROGRAM OBJECTIVES 1963-70

1. *The size of the rehabilitation problem is increasing.*—The number of persons who could benefit from vocational rehabilitation services is growing, as the population increases, and as an increasing number of people live beyond 45 years into a constantly stretching life expectancy.

It is in this upper age group, where medicine, surgery, new drugs, and other factors are prolonging life, that chronic illness is so prevalent. These advances are producing rehabilitation problems which did not exist 10, or even 5 years ago. As medical research expands, lifesaving miracles will increase, and larger numbers of persons will need the services of the State-Federal program of vocational rehabilitation to help to bring them to productive usefulness.

By 1970, an estimated 2,650,000 disabled persons wanting to work will need vocational rehabilitation services in order to be able to work and will probably be capable of being rehabilitated for work—in the competitive labor market, in sheltered employment, or in their own homes. By that time, an estimated 330,000 additional persons, each year, will enter this group. Persons leaving the group each year include rehabilitants plus persons who die and persons who lose either the desire or the potential for work. Consequently, by 1970, if 330,000 persons or more were rehabilitated each year (by the State agencies and by voluntary private agencies), it would be possible to reduce the cumulative number for whom rehabilitation services are needed.

2. *There are increasing demands upon the rehabilitation agencies—both public and private—for services to the disabled.*—The recognition of rehabilitation as an effective means of coping with the social, personal, financial and other problems which result from disability is growing. For one thing, the public generally, and disabled people and their families in particular, are becoming much more aware that something positive and constructive usually can be done about a tragic and oppressive situation—and they are becoming vocal and insistent in their demands for services. At the same time, public and nongovernmental organizations which “pay the bill” in one form or another for neglected disability—and these include public and private welfare, private insurance, labor health and welfare funds, and other groups—have acquired enough experience in the restorative approach to seek more rehabilitation services for their clients and beneficiaries. Among medical practitioners, among teachers, among employers and others in positions of responsibility, there is increasing activity to see that disabled individuals within their spheres receive the services they need. And finally, the Nation’s legislative bodies—in the States and in Washington—have demonstrated in tangible ways that they expect and support the expansion of rehabilitation programs and services to disabled men and women.

The demands for services to the disabled in the years ahead will tax the ingenuity and resources of all agencies, both public and private, who are working with the disabled.

3. *Voluntary agencies are making a significant contribution to rehabilitating the disabled.*—Voluntary and nonpublic agencies have been, and will continue to be, vital to the success of the rehabilitation program. Data are not available to indicate with exactitude the extent of voluntary agency effort in the vocational rehabilitation of the disabled. In a study supported by this Office, a questionnaire was recently distributed to about 500 voluntary agencies to determine the extent to which they were rendering rehabilitation services, measured by their approximate expenditures. Replies from over 350 of these indicate that there has been a substantial increase in expenditures during the period 1954-58. These are estimated at about \$50 to \$60 million in 1958 for rehabilitation of adults as compared with an estimated \$30 to \$40 million in 1954. It is not possible, however, to determine how much of these expenditures were for individuals who are vocationally rehabilitated and who would come within the scope of the public program.

It is believed that the upward trend in voluntary agency expenditures for rehabilitation will continue. These agencies will, as in the past, continue to perform experimental and exploratory work, and provide services for individuals and disability groups for whom complete rehabilitation is doubtful. It is also expected that they will expand their services and facilities in working cooperatively with the State agencies to vocationally rehabilitate the disabled. It does not seem likely, however, that they will expand as rapidly as in the period

1954-58, without renewal of Federal stimulation such as existed in the section 4(a)(2) expansion grants, during the period 1955-57 (the authority terminated in 1958). It is estimated that the private agency expenditures for services and capital outlays for rehabilitation of adults will rise to about \$80 million by 1970, which would be a third more than the estimated 1958 outlays. This would indicate rehabilitation of about 75,000 persons by private agencies.

(3) *Steps to achieve the goal.*—The objective of 200,000 rehabilitants a year by the Federal-State V-R program as set forth in the 1954 amendments of the Vocational Rehabilitation Act can be achieved by 1970 or before that time if the steps outlined below are accomplished.

First and foremost is expansion of the current Federal-State program as rapidly as the States can advance. This means continuation of the policy in the 1963 budget estimate of fully matching all available State funds. Based on the past record of the State Vocational Rehabilitation Agencies we could expect that by 1970 they would be rehabilitating at least 165,000 persons a year.

This expansion would presume continued emphasis on extending our research and demonstration and training program to the fullest extent possible to take advantage of available resources for doing rehabilitation research and for making extensive use of the demonstration aspect of this program to put the new knowledge to use at the earliest possible time.

Moreover, it would mean we would continue expansion of our training program to make the qualified personnel available when needed for the growing rehabilitation programs. From such an expanded research and demonstration program we could reasonably expect by 1970 the rehabilitation of at least 10,000 disabled persons a year in addition to those reported by State vocational rehabilitation agencies. Thus, in total, under our current program, given the necessary appropriations, we can look forward to rehabilitation of at least 175,000 a year by 1970.

Secondly, considerable thought has been given by this Office to the additional legislative authority needed to expand the current vocational rehabilitation program to reach the objective of rehabilitating at least 200,000 a year. With the changes outlined below, about 45,000 to 50,000 persons more could be rehabilitated each year, and the goal of 200,000 rehabilitations a year reached well within the period between now and 1970. These changes include—

(a) Revision of the formula used to distribute Federal grants to the States to provide greater financial assistance and incentives to State agencies to expand their programs;

(b) A system of grants to the States to strengthen rehabilitation evaluation services;

(c) Grants to the States to provide services for severely handicapped persons who cannot demonstrate employment potential at time of acceptance but who can be rehabilitated to a point of self-care and self-sufficiency (and many of whom ultimately can be restored to work);

(d) A system of grants to assist in the construction and initial support of specialized rehabilitation facilities;

(e) A special 100 percent federally financed Federal-State rehabilitation program for disabled peacetime ex-servicemen.

COOPERATIVE PROGRAMS BETWEEN STATES AND OTHER AGENCIES

MR. FOGARTY. What about the cooperative programs you mentioned on page 10? That is, those which are being developed between States and other public agencies and voluntary groups. Is that something new?

MISS SWITZER. No, they are not exactly new, but I think they are becoming more numerous and more effective. They have to do with cooperative relationships with special education departments, local school systems and with public assistance agencies.

A very fast-growing field is mental health. State hospitals and mental health authorities are becoming very rehabilitation-minded. In some places they turn money over to the State rehabilitation agency. In other places they hire the staff, as recommended by the

rehabilitation agency, and work within their own framework. But I think this is going to be a growing thing and should be because the more you can get this done, the farther you can make the total local dollar go.

We have always done some of this in the rehabilitation program, especially since the beginning of the demonstration program. We have stepped it up very markedly in the last 2 or 3 years, and this year has taken a great spurt forward.

For example, I will cite the city of Detroit. You will recall the former Commissioner of Education, Sam Brownell, is there. The city of Detroit turned over to the rehabilitation agency of Michigan a substantial sum of money to provide services for the children that are going to be involved in this rehabilitation project with the Detroit public schools. It is a very thrilling project. It is an interesting development when the school system will release money to be used at the discretion of a combined group which includes another agency.

This is happening in Texas. In Kentucky there is an exciting mental health project, which is a collaborative effort between mental health authorities and the rehabilitation agency. This cooperation is growing, no question about it.

REHABILITATION OF THE MENTALLY RETARDED

Mr. FOGARTY. You give some figures on the mentally retarded. That part of your program increased sixfold, did it?

Miss SWITZER. Yes; 3,500, compared with 531 in 1955. They have gone up faster in the last several years, and they will continue to do so. We hope that next year we will go from 3,500 to 5,400, which is a very substantial increase. I think there is real promise in this field.

REHABILITATION OF THE MENTALLY ILL

Mr. FOGARTY. You are doing quite a bit in the field of the mentally ill also.

Miss SWITZER. Yes. There will be an increase in that to 5,100, compared to 793.

Mr. FOGARTY. Do you have any idea how many of these were taken out of State institutions?

Miss SWITZER. The majority of these cases are taken out of State hospitals.

REHABILITATION OF THOSE WITH CEREBRAL PALSY

Mr. FOGARTY. What about those with cerebral palsy?

Miss SWITZER. We always have a certain number. It is increasing.

Mr. FOGARTY. You can supply that for the record.

(The information follows:)

The number of persons with cerebral palsy rehabilitated by the State vocational rehabilitation agencies has increased from 700 in fiscal year 1955 to 750 in fiscal year 1961, and we estimate that the number will reach 900 in fiscal year 1963.

MULTIPLE SCLEROSIS

Mr. FOGARTY. What about multiple sclerosis?

Miss SWITZER. We have a small but growing program in this, but we have very few projects in this field.

Mr. FOGARTY. This is one of the more difficult ones.

Miss SWITZER. Here is a statement on this area and other selected areas which I can put in the record.

Mr. FOGARTY. Very well.

(The information follows:)

1. PROBLEMS IN REHABILITATING THIS DISABILITY GROUP

Multiple sclerosis, one of the major disorders affecting the central nervous system, is a chronic, usually progressive and crippling disease that strikes chiefly persons between 20 and 40 years old. Its cause is obscure, it is slow in onset, and there is no specific diagnostic test for this disease.

An estimated 250,000 persons in the United States suffer from this disease and an additional 250,000 from closely related diseases.

2. ACCOMPLISHMENTS

(a) Federal-State program

Estimated and actual number of rehabilitants with multiple sclerosis 1959-63, State vocational rehabilitation agencies: ¹

Fiscal year ending June 30	Persons rehabilitated	
	Total	Multiple sclerosis
1959.....	80,739	263
1960.....	88,275	242
1961.....	92,501	280
1962.....	100,000	300
1963.....	110,400	330

Because multiple sclerosis is a progressive disease, forecasting employability for these individuals is difficult and unpredictable. For this reason, State rehabilitation programs often have not undertaken services for larger numbers of this disability group. In 1963 an estimated 330 such persons will be rehabilitated at an estimated expenditure of about \$220,000, with 280 and 300 persons (estimated) with multiple sclerosis rehabilitated in 1961 and 1962, respectively, with expenditures of Federal funds estimated at \$170,000 in 1961 and \$190,000 in 1962. The actual number of persons with multiple sclerosis rehabilitated in 1959 and 1960, respectively, were 263 and 242, with actual expenditure of funds being \$150,000 in 1959 and \$140,000 in 1960.

(b) Training

There have been no specific training programs sponsored by the Office of Vocational Rehabilitation for multiple sclerosis. However, instruction about a number of neurological diseases is incorporated into the basic training program for a number of professional personnel, such as rehabilitation counselors, etc.

(c) Research

We have no projects or applications in this field as of January 1, 1962.

This Office supported a 2-year project at George Washington University, entitled, "A Study of Factors Influencing Individual Adjustment to Chronic Disease." This project specifically covered the psychological and psychiatric aspects of multiple sclerosis. The total project cost was \$9,553.57.

¹ The total number of rehabilitants are actual for fiscal years 1959, 1960, and 1961; for fiscal years 1962 and 1963 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants disabled by multiple sclerosis are actual for fiscal years 1959 and 1960; for fiscal years 1961, 1962, and 1963 they are estimated on the basis of the proportion in the group for the preceding 5-year period.

3. RESEARCH AND TRAINING NEEDS

A. *Rehabilitation research needs.*—

- (a) The study of various physical modalities used in physical medicine in the treatment of multiple sclerosis.
- (b) The use of orthotic devices.
- (c) The causes and treatment of spasticity.
- (d) The causes and treatment of contractures and other complications.
- (e) The therapeutic uses of various forms of heat to reduce symptoms.
- (f) The use of activities of daily living techniques.
- (g) Homemaking programs.
- (h) Psychological and psychiatric evaluation and treatment of this condition.
- (i) The use of various aids in increasing the vocational potential of these patients.

B. *Training needs.*—The basic need is that of trained personnel to treat, study, and to train patients with multiple sclerosis. These would fall in the category of psychiatrists, physical therapists, occupational therapists, physiatrists, psychologists, counselors, homemakers, nurses, speech therapists, and other related personnel.

4. PROSPECTS FOR THE FUTURE

With further advances in drug therapy, neurosurgical procedures, and rehabilitation techniques the potential of those suffering with multiple sclerosis should be much greater than at present. It is our plan to encourage further research and training programs as well as the educational aspects of this disease. Since the larger proportion of persons with multiple sclerosis are women in the 20 to 40 age group, the objective should be to accept increasing numbers for services with the vocational goal of homemaker.

MENTAL RETARDATION

1. PROBLEMS IN REHABILITATING THIS DISABILITY GROUP

Drs. Masland, Sarason and Gladwin have stated that using as the criterion of disability the inability to obtain gainful employment, with the possible exception of mental illness, mental retardation is the most significant handicap to our present society. "Of the 4,200,000 children born annually in the United States, 3 percent (126,000) will never achieve the intellect of a 12-year-old; 0.3 percent (12,600) will remain below the 7-year intellectual level and 0.1 percent (4,200) if they survive will spend their lives as completely helpless imbeciles unable to care even for their own creature needs."

Dr. George Tarjan, superintendent of Pacific State Hospital (for mentally retarded), Pomona, Calif., gives these figures: Once every thousandth time there is a baby born in our country whose mentality will be so severely impaired that he will not be able to survive for any length of time unless he is constantly protected and sheltered by other fellow humans. Though life expectancy for this group is limited, there are probably some 60,000 to 90,000 such severely retarded individuals living in the United States. Most of them are children or adolescent. Vocational rehabilitation in its present sense has little to offer for them. They will always need our custody, and unless major medical discoveries are made, their vocational contributions will remain very limited.

Another group of the retarded are born with about three times the above frequency and with a greater chance for survival. This group comprises about 300,000 to 350,000 people in the United States. They are children, adolescents, or adults who are much more capable than the first group. They can learn, and understand the meaning of danger. They can assist with their own care and in a protective environment can even undertake semiproductive endeavors. Their shortcomings become evident when they are called upon to understand the meaning of symbols as used in the written language. Present day evidence, in and out of institutional settings, shows that these people can learn many tasks when patiently and properly taught. The better their overall emotional adjustment, the greater the likelihood that through rote memory they can acquire several job skills.

A third category of the mentally retarded is generally estimated as including as many as 5 million people in our country, about 3 percent of our population. They represent a large group of human beings who, in a limited way, adjust to

the demands of our society and take a positive place in our manpower pool. Only under stress situations do they come to our attention and are suspected, then identified or diagnosed, thereby becoming a public concern.

The number in need of rehabilitation services is not known, but that the need is great is obvious. We have barely scratched the surface in relation to the vast problem.

The greatly increased activity on the part of the National Association for Retarded Children and its local affiliates has served to focus public attention on the extent and seriousness of the problem. Several studies over the past few years have revealed that despite improved and improving public school programs for the retarded, 25 to 40 percent of the educable groups coming out of those classes could either not be placed on jobs, or hold them if they were placed. Moreover, a significant number of the trainable group received no vocational training or job opportunities whatsoever. Traditionally the mentally retarded individual has been the target of ridicule and prejudice which has restricted all phases of his development. Inadequate education and poor personal relationships have pushed him steadily down the scale of intellectual functioning. It is the vocational rehabilitation of this group to the point where they can take and hold a job that constitutes the focus of the OVR program.

Usually the retarded person referred to the rehabilitation agency has had no employment experience or a series of unsuccessful attempts on a job. His lack of skills and confidence further jeopardizes his opportunities in the labor market. These are some of the problems confronting the rehabilitation counselor—problems of community attitudes as well as those of the client himself.

2. ACCOMPLISHMENTS

Federal-State program

Estimated number of mentally retarded rehabilitated by the State vocational rehabilitation agencies in fiscal years 1960-62:

Fiscal year ending June 30	Persons rehabilitated	
	Total ¹	Mentally retarded ²
1960.....	88,275	2,937
1961.....	92,501	3,500
1962.....	100,000	4,400

¹ Total rehabilitants, actual for fiscal year 1960; estimates for fiscal years 1961 and 1962, based on State budget estimates.

² Estimates based on the trend in the number and percent of rehabilitants for each group in fiscal year 1957-59.

The number of mentally retarded rehabilitated by the State rehabilitation agencies is increasing. It is expected that 5,400 will be rehabilitated in 1963 at an estimated expenditure of about \$3.5 million in Federal funds in addition to State funds. These totals compare with the estimated expenditure of about \$2.8 million in Federal funds in 1962 for the rehabilitation of 4,400 mentally retarded and an estimated \$2.1 million in 1961 for the rehabilitation of 3,500 mentally retarded.

Extension and improvement projects under section 3 of the Vocational Rehabilitation Act have been used in the general programs in a variety of ways to make substantial contributions toward increasing the number of mentally retarded rehabilitated. A total of 16 projects concerned with the mentally retarded were supported in 1961. Typical is the project in the State of Connecticut.

Extension and improvement of services to mentally retarded clients

This project has been developed by the Connecticut Bureau of Vocational Rehabilitation, in close cooperation with the Southbury Training School and the Mansfield State Training School and Hospital, which are under the office of mental retardation of the State department of health. A principal aim of this project is to tie in the use of local rehabilitation offices and other local facilities such as rehabilitation centers and workshops more closely with the two institutions.

Rehabilitation counselors assigned to the institutions work closely with the institutions and with local public and private groups and agencies to provide

community related services carried beyond the institutions to achieve successful job-community adjustment for the mentally retarded. There has been increasing utilization of community rehabilitation centers and workshops for pre-vocation evaluation and training. Emphasis is being given to the development of personal-adjustment training, on-the-job training facilities, and employment opportunities. This program is making it possible to move mentally retarded individuals out of the institution into the community and to facilitate their entrance into employment.

Research and demonstrations

Research into the causes and prevention of mental retardation is vital to the problem. However, this large segment of our total population now in existence must have expert assistance made available to them. We must develop more precise skills in treatment and training for their social, psychological, and vocational adjustment. The research and demonstration grant program, authorized under the vocational rehabilitation legislation of 1954, is a major step in meeting this need. A total of 54 projects have been approved to date, of which 15 research and 23 selected demonstration projects are currently in operation.

The research projects show wide variations in areas studied. Some are related to special workshop studies, others are community programs dealing with a special aspect of mental retardation such as developing a statewide program, studying employer attitudes, evaluating vocational training in a rural regional center, or providing transitional facilities through a halfway house. The remainder are devoted to specialized subjects such as predicting performance; assessing social adjustment based on job, personality, and education; developing a social capacity scale; or ascertaining the effects of special training.

In July 1957, the Office of Vocational Rehabilitation began a program of demonstration projects to accelerate vocational rehabilitation services to severely disabled persons and to provide for prompt and widespread application of knowledge and experience acquired in the Office of Vocational Rehabilitation research grant program. The 31 demonstration projects approved through fiscal year 1961 for the mentally retarded have been a vital factor in accelerating services for this group.

Training courses for rehabilitation of the mentally retarded

The program of the State vocational rehabilitation agency is the overall program where the methodologies and skills which have proved effective through research and demonstration must be applied. To move forward serving far greater numbers of the retarded than we have, the agencies need not only additional staff, but staff with special knowledge in the field. Of particular importance to the mentally retarded are the rehabilitation counselors, the psychologists, the social workers, and frequently the speech and hearing personnel.

The OVR supports long-term training programs to increase the supply of professional personnel and short-term training programs to increase the technical proficiency of existing rehabilitation personnel. In addition, regional workshops are conducted for rehabilitation counselors and others engaged in the rehabilitation of the mentally retarded.

Estimated obligations

	1960	1961	1962	1963
Rehabilitations.....	2, 937	3, 500	4, 400	5, 400
Grants to States:				
Basic support program.....	\$1, 633, 000	\$2, 055, 000	\$2, 771, 000	\$3, 486, 000
Extension and improvement program.....	165, 108	211, 287	200, 000	200, 000
Research and demonstrations.....	911, 800	993, 290	1, 012, 000	1, 200, 000
Training and traineeships.....	32, 456	77, 886	90, 000	135, 000
Total, OVR.....	2, 742, 364	3, 337, 463	4, 073, 000	5, 021, 000

Extension and improvement projects serving the mentally retarded

	Fiscal year	Federal grant
California: Extension of services to mentally retarded applicants and program to enlist community support.....	1961	\$74,464
Connecticut: Extension and improvement of services to mental retardates by assignment of counselors to develop new resources and improve cooperative relationships.....	1961	16,521
Delaware: Improved services to special disability groups including the mentally retarded, mentally ill, and severely disabled.....	1962	16,521
Georgia: Expansion of rehabilitation services to mental retardates who are 16 years of age or over from the State hospital at Gracewood.....	1961	5,000
A project to extend and improve vocational appraisal, evaluation, and pre-vocational training to mentally retarded clients.....	1961	32,025
Hawaii: Personal adjustment training of severely mentally retarded clients.....	1962	26,137
Indiana: Establishment of a sheltered workshop at Muscatatuck School serving the mentally retarded.....	1963	32,346
Kansas: Salina Work Adjustment Center to provide comprehensive evaluation services, prevocational training, and personal adjustment for the mentally retarded.....	1961	5,094
Michigan: Special project for the mentally ill as well as the mentally retarded by providing special administrative and consultative services at the State level for training and placement.....	1962	5,094
Minnesota: Expansion and improvement of the United Cerebral Palsy Workshop to provide prevocational evaluation and personal adjustment training.....	1961	20,312
Missouri: Supervisor of services to the mentally ill and mentally retarded.....	1961	4,025
New Jersey: Extension and improvement of the Occupational Training Center, Camden County unit.....	1962	5,962
Extension and improvement of the Occupational Center of Essex County.....	1963	6,712
Extension and improvement of services of the Occupational Center of Hudson County.....	1961	11,790
Extension and improvement of services to the mentally retarded in south Jersey.....	1961	2,100
New York: Establishment of a facility in Westchester County by the Association for Help of Retarded Children.....	1962	4,757
Establishment of a vocational center and workshop at Brookville, Long Island, by the Association for the Help of Retarded Children.....	1961	9,745
Extension and improvement of services, on-the-job training, and sheltered employment at Skills Unlimited, Inc., of East Islip.....	1962	10,063
Extension and improvement of program of evaluation and training to enhance employment opportunities of the retarded by the Nassau County Association for the Help of Retarded Children.....	1961	2,220
North Dakota: Assignment of a counselor to serve the mentally retarded.....	1962	3,370
Ohio: Vocational rehabilitation of the mentally retarded in Dayton public secondary schools.....	1961	2,703
	1962	5,255
	1963	6,620
	1961	18,746
	1962	11,192
	1963	5,100
	1961	3,281
	1962	781
	1961	9,691
	1961	5,813
	1962	5,142
	1963	5,250
	1961	6,706
	1962	7,475
	1963	9,227

Federal and State expenditures under the basic support program (section 2) for the establishment of rehabilitation facilities and workshops serving the mentally retarded in 1961 and 1962:

North Carolina: Caswell Training School in Kinston serving the mentally retarded.....	\$39,098
Minnesota: Establishment of a rehabilitation facility at the Opportunity Workshop, Inc., which serves the mentally retarded.....	40,894

Research and demonstration projects in the area of mental retardation

Project No.	Grantee	Grant award by fiscal year				
		1959	1960	1961	1962 ¹	1963 ²
20	Association for the Help of Retarded Children, New York	\$65,441				
330	Connecticut Association for Retarded Children	30,260	\$44,910	\$79,680		
383	The Woods School, Pennsylvania	32,140	37,330	37,330	\$30,000	
404	Jewish Vocational Service, Wisconsin	28,500	37,700	35,750	36,000	
417	The George Everett Partridge Memorial Foundation, Virginia	29,640	32,943	34,500	35,000	
425	Edward R. Johnstone Training Center Foundation, New Jersey	27,365		41,456	50,069	
419	MacDonald Training Center Foundation, Florida		33,570	34,097	36,091	
451	University of Colorado		24,927	28,577	27,400	
470	Illinois Department of Public Welfare		36,600			\$36,500
517	Kansas Neurological Institute		11,500			
537	State Division of Vocational Rehabilitation, West Virginia		28,511		12,200	12,000
568	Association for the Help of Retarded Children, New York		52,325	52,800	53,000	53,000
560	Goodwill Industries of Houston, Inc., Texas		28,450			
581	Southern Methodist University, Texas		16,215			
603	University of Washington, Seattle			10,258	12,024	12,000
655	Connecticut College			16,447		
681	Minneapolis public schools			32,345	25,000	20,000
730	University of Colorado			19,150		
861	National Association for Retarded Children, Inc., New York			3,000		
836	Georgia Division of Vocational Rehabilitation				40,485	45,000
842	University of Alabama				19,543	20,000
897	Workshop for blind and disabled, Alabama				6,160	5,000
202	Caddo-Bossier Association for Mentally Retarded Children	21,160	19,044	14,500		
204	Southern Illinois University	38,606	31,250			
205	Aid Retarded Children, California	41,350	39,500	39,500		
211	Philadelphia Association for Retarded Children, Pennsylvania	30,693	29,150	21,000	15,000	
232	Aid for Retarded Children Association of Jefferson County, Alabama	14,900	12,500			
237	Orange Grove School, Inc., Tennessee	12,757	11,666			
254	The Sheltered Workshop Foundation of Lucas County, Ohio	24,590	24,240	18,000		
258	The Rio Grande Association for the Mentally Retarded, Texas	23,340	17,670	11,780	9,000	
268	Arlington County School Board, Virginia		23,915	10,100		
274	Project, Inc., Missouri	29,187	27,967			
308	Goodwill Industries of Tacoma, Wash.		35,050	35,550	35,900	
278	Goodwill Industries of Greater Kansas City, Mo.	24,950	33,400	30,000	25,000	
357	Laradon Hall Society, Colorado	31,076	24,724	18,939		
373	Maryland Society for Mentally Retarded Children	24,290	21,650	21,500	18,000	
436	Delaware County Council for Retarded Children, Indiana		15,627	9,815	5,352	5,400
444	Parents' Council for Retarded Children, Rhode Island		41,675	23,410	18,616	15,000
461	Chatham County Association for Mentally Retarded Children, Georgia		17,992	16,098	12,000	12,000
480	Lincoln Goodwill Industries, Nebraska		33,360	27,315	18,383	18,000
484	Vocational adjustment center, Massachusetts		19,933	19,500	17,000	
489	San Antonio Council for Retarded Children, Texas		20,000	17,500	15,000	12,000
531	Greater Atlanta Chapter for Retarded Children, Georgia		26,477	24,414	22,000	18,000
606	Harrison County Association for Retarded Children, Mississippi			23,800	22,100	20,000
621	Hinds County Association for Retarded Children, Mississippi			25,000	22,500	22,000
663	State Division of Vocational Rehabilitation, Hawaii			60,000	67,502	60,000
735	Lake Regional Sheltered Workshop, Minnesota			17,800		16,000
743	Whitten Village, South Carolina			24,500	23,000	21,500
773	Cabell County Sheltered Workshop, West Virginia			26,239	24,500	23,000
678	Richmond Goodwill Industries, Virginia			24,140	18,038	22,000
719	South Dakota Association for Retarded Children			7,500	7,000	6,500
698	Morrilton Public Schools Training Center, Arkansas				23,361	23,000
894	Wall Street Mission, Iowa				30,400	28,000

¹ Includes actual award if made; otherwise budget estimate is used.² Estimated amounts.

Summary of projects as of Jan. 15, 1962

Total	RD's	SD's	Total
Fiscal year 1959.....	\$213,346	\$316,899	\$530,000
Fiscal year 1960.....	384,981	526,820	912,000
Fiscal year 1961.....	425,390	567,900	993,000
Fiscal year 1962:			
Continuations.....	316,784	395,891	713,000
New grants made.....	66,188	53,761	120,000
Estimate, new grants.....	50,000		50,000
Total.....	432,972	449,652	883,000
Fiscal year 1963:			
To continue projects begun 1961 and prior.....	133,500	271,400	405,000
To continue new 1962 projects.....	120,000	51,000	171,000
Total continuations.....	253,500	322,400	576,000
Estimate for new projects.....			170,000

Training grants in the field of the mentally retarded, as of January 1962

Grant No.	Dates of course	Amount	Sponsor	State
52-57	July 29 to Aug. 16, 1957.....	6,782	Association for Help of Retarded Children.	New York.
48-58	July 7-25, 1958.....	9,800	do.....	Do.
53-59	July 27 to Aug. 14, 1959.....	9,600	do.....	Do.
81-59	May 18-20, 1959.....	5,002	University of Wisconsin	Wisconsin.
52-60	July 11-22, 1960.....	7,750	Association for the Help of Retarded Children.	New York.
55-60	Feb. 15-18, 1960.....	2,971	University of Colorado.....	Colorado.
81-60	Apr. 11-14, 1960.....	5,268	University of Utah.....	Utah.
56-60	May 9-13, 1960.....	4,530	State University of Iowa.....	Iowa.
2-61	Mar. 20-22, 1960.....	5,492	Oregon State Board of Health Education.	Oregon.
5-61	Oct. 27, 1960.....	8,750	University of Hartford (Hillyer College).	Connecticut.
28-61	Jan. 9-12, 1961.....	12,000	Goodwill Industries of America...	District of Columbia.
31-61	Nov. 14-18, 1960.....	5,815	George Peabody College.....	Tennessee.
54-61	June 18-23, 1961.....	6,250	Oklahoma State University.....	Oklahoma.
80-61	July 24 to Aug. 4, 1961.....	8,350	Association for the Help of Retarded Children.	New York.
101-61	June 19-23, 1961.....	4,350	Puerto Rico DVR.....	Puerto Rico.
3-62	Aug. 28 to Sept. 1, 1961.....	4,346	University of Hawaii.....	Hawaii.
10-62	Sept. 25-26, 1961.....	2,628	Vineland Training School.....	New Jersey.
	Total.....	109,684		

SPEECH AND HEARING

About 8 million people in the United States have defective hearing or speech serious enough to handicap them in their vocational adjustment and social relationships. They include the laryngectomee who must master a new method of speaking, those with aphasia resulting from a stroke, the stutterer, those with speech and voice problems associated with cleft palate, those with hearing loss, and those whose speech or hearing problems are associated with cerebral palsy or mental retardation. Nearly 250,000 people are deaf, 90 percent of whom are estimated to be under 65 years of age, and have serious educational, vocational, and social deficiencies arising from their isolation and communication problems. Adjustment training in depth is desperately needed by most of these individuals.

The major problems in the vocational rehabilitation of speech and hearing handicapped individuals and those who are deaf are: (1) lack of a sufficient number of qualified speech pathologists and audiologists, rehabilitation counselors, psychologists, social workers, medical personnel, and other professional personnel serving this population; (2) inadequate geographical distribution of qualified personnel and facilities for diagnosing and treating communication disorders and the results of early profound loss; and (3) the need for new knowledge for diagnosing and treating communication impairments, including

techniques of vocational and personal adjustment of persons with speech or hearing handicaps.

The Office of Vocational Rehabilitation has three programs which are concerned with the rehabilitation of individuals who have speech and hearing impairments. These are the State-Federal program which provides case services for this group of individuals and through which funds are available for the development of rehabilitation centers, a professional training program, and a research and demonstration program.

STATE-FEDERAL PROGRAM

The public program for vocational rehabilitation is a partnership program between the States and the Federal Government. Actual services to the disabled are provided by State agencies using funds provided through a grant-in-aid program by the Office of Vocational Rehabilitation.

The following table shows the number of individuals rehabilitated or expected to be rehabilitated who were classified as having a speech or hearing impairment during fiscal years 1959-63:

Number of rehabilitants of the State vocational rehabilitation agencies with speech and hearing impairments, fiscal years ending June 30, 1959-63¹

Major disability	Number of rehabilitants in fiscal year				
	1959	1960	1961	1962	1963
All rehabilitants.....	80,739	88,275	92,501	100,000	110,400
Number of rehabilitants with major disability of speech or hearing.....	6,082	6,529	6,900	7,400	8,100
Deaf.....	1,612	1,617	1,700	1,800	2,000
Hard of hearing.....	3,524	3,793	4,000	4,300	4,700
Speech.....	946	1,119	1,200	1,300	1,400

¹ The total number of rehabilitants are actual for fiscal years 1959, 1960, and 1961; for fiscal years 1962 and 1963 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants in the various disability groups are actual for fiscal years 1959 and 1960; for fiscal years 1961, 1962, and 1963, they are estimated on the basis of the proportion in the group for the preceding 5-year period.

State vocational rehabilitation agencies, in 1961, rehabilitated 6,900 individuals whose major disability was a communication disorder—7.4 percent of the total number of rehabilitants. In 1962 and 1963, it is expected that the number of rehabilitants with speech and hearing impairments will be 7,400 and 8,100, respectively. Although the percent of rehabilitants with communication impairments will remain the same, 7.4 percent, it is anticipated that the total number of rehabilitants for 1962 and 1963 will be 100,000 and 110,400, respectively. Based on these figures, the estimated Federal expenditures for rehabilitating speech and hearing impaired individuals for the years 1961, 1962, and 1963 are \$4,125,000, \$4,775,000, and \$5,350,000, respectively.

Federal funds are also used by States to establish speech and hearing facilities under their basic support program and also to expand and improve centers already in operation thus adding materially to the resources serving the speech and hearing impaired in many States. OVR is particularly concerned about the shortage of rehabilitation facilities where deaf persons can receive a comprehensive evaluation of their capacities for education, vocational achievement, and social maturity and an adequate program of services.

In 1961 and 1962 approximately \$825,000 in Federal and State funds were spent by seven States¹ for the establishment of eight diagnostic and service facilities. In addition, about \$48,000 in Federal funds were specifically designated for expanding and improving four projects in four different States² serving this handicapped group. These figures do not not fully reflect the total amount for support of speech and hearing activities since funds of the State

¹ Alabama, Arizona, Mississippi, North Dakota, Rhode Island, South Carolina, and Wisconsin.

² Georgia, New Jersey, North Carolina, and Wisconsin.

agencies are expended for the establishment of general rehabilitation facilities which may include speech and hearing services without identifying expenditures by disability categories.

TRAINING

The training program of the Office of Vocational Rehabilitation includes long-term training, short-term training, and the training of rehabilitation research workers.

Long-term training program.—The major objectives of the long-term program are to (1) increase the supply of speech pathologists and audiologists by helping training programs to expand and by offering scholarship assistance to students (2) to participate with professional associations and educational institutions in their efforts to improve the quality of professional preparation for service, and (3) the facilitate better communication and working relationships among the professional fields engaged in serving disabled people.

An estimated 2,500 speech pathologists and audiologists have met the requirements for practice established by the profession (certification) and an additional 7,500 persons are working in the field who are not certified, some of whom undoubtedly meet certification requirements. It is estimated that 775 students completed their academic preparation in this field during the 1960–61 academic year.

To provide adequate diagnostic treatment and rehabilitative services to the 8 million individuals with speech or hearing impairments, an estimated 20,000 speech pathologists and audiologists are needed. Fifteen hundred graduates of speech pathology and audiology curricula in universities are needed each year to fill vacancies caused by the expansion of rehabilitation programs and to replace individuals leaving the field.

The following table summarizes the OVR long-term training program since fiscal year 1959:

*Summary of long-term training program in speech pathology and audiology, fiscal years 1959–63*¹

	Fiscal years ending June 30—				
	1959	1960	1961	1962	1963
Number of grants in speech pathology and audiology.....	13	22	30	52	57
Amount awarded for training in speech pathology and audiology (in thousands).....	\$198	\$410	\$671	\$1,150	\$1,609
Number of traineeships.....	42	90	164	275	415

¹ Actual figures for fiscal years 1959–61; estimates for fiscal years 1962–63.

It will be noted that the number of grants has increased from 13 in 1959 to 52 in 1962 and that the number of traineeships increased from 42 in 1959 to 275 in 1962. Of the training appropriation for 1962, it is anticipated that approximately \$1,150,000 will be awarded for training speech pathologists and audiologists.

In 1961, the Office of Vocational Rehabilitation awarded a grant to help establish a new professional journal, DSH Abstracts, published by Deafness, Speech, and Hearing Publications. Five issues of this journal have been distributed carrying abstracts of 1,604 articles. The publication has made a significant contribution to disseminating professional information in the field. A small grant was made to DSH Publications in 1962 and the publication is now self-sustaining.

In fiscal year 1963, funds are being requested which will enable grants to be awarded to 57 institutions and traineeships provided for 415 students. Such a program will involve \$1,609,000 of the 1963 training appropriation. Such an increase in our training of speech pathologists and audiologists should help close the gap between the need for new personnel in this field and the output of the training centers.

Short-term training program.—The purpose of the short-term training program is (1) to give personnel now serving disabled individuals a better understanding of rehabilitation philosophy and methods through short-term courses or teaching materials (2) to provide opportunities for raising the level, knowledge, or skill of professional people in rehabilitating handicapped individuals, and (3)

to give personnel in various professional fields an awareness of rehabilitation needs, concepts, and methods.

On December 31, 1961, approximately \$651,000 had been obligated for 56 short-term projects in various fields. Of these courses, four were in areas concerned with the speech and hearing impaired—including individuals who are deaf. These courses reached approximately 180 individuals who are currently working in the field. In 1963, it is hoped that funds will be available to continue to offer short-term courses in areas where higher levels of skills are required.

The byproducts of short-term training are invaluable. This has proved to be particularly true in programs related to the deaf. For example, a substantial part of the development of special rehabilitation centers for the deaf stems from workshops supported by short-term training funds. Moreover, program needs are brought into sharper focus and specific avenues of attack charted in such training operations. In illustration, a State is arranging to accelerate rehabilitation training for its many day school deaf students who have not heretofore had the benefit of the intensive shop training that is available in a residential institutional setting. Also, short-term training has proved to be a vital tool in fundamental community development work among the deaf where there is great need for defining proper objectives and for identifying means for attainment. Another major contribution of short-term training is the effective channel it provides for increasing authoritative literature through proceedings of important workshops.

In the past 2 years, because of the extremely limited appropriation for short-term training and because of the priority that OVR gives the inservice training of State vocational rehabilitation workers, we have been unable to support the short-term training programs for which grants have been requested.

In 1963, OVR plans to support short-term training courses for those already employed in various clinical aspects of speech and hearing disorders where a higher level of competence is essential. These areas continue to be auditory disorders, aphasia, stuttering, teaching esophageal speech, cerebral palsy, and cleft palate. In addition, efforts will be made to orient workers with the deaf to the educational, social, and vocational problems of the deaf; to provide rehabilitation counselors in State vocational rehabilitation agencies with a greater knowledge of the nature and treatment of communicative disorders; to interest more psychologists in the development and application of instruments for the psychological assessment of the deaf; and to develop further the standards for facilities for the total evaluation and rehabilitation of deaf persons.

One of the short-term courses that we have supported each year is for rehabilitation counselors, social workers, employment service specialists, and others working with deaf persons. The purpose of the workshop, which is held two times each year at Gallaudet College and which runs for 4 weeks, is to orient these individuals to the social, educational, and vocational aspects of deafness and to start these individuals into a program whereby they learn to communicate with individuals who are deaf. Close to 400 persons have had this valuable training under OVR auspices.

Rehabilitation research fellowships.—Fellowships are available to enlarge and enrich our research resources through the development of competent research workers in the professional fields which contribute to the vocational rehabilitation of disabled persons. Fellowships may be awarded to assist qualified candidates to (1) obtain advanced training in rehabilitation research, (2) increase their competency or broaden their experience in rehabilitation research, or (3) carry out a research project which holds promise of making a significant contribution to advancing our knowledge and understanding of the vocational rehabilitation of disabled persons.

In 1960, rehabilitation research fellowships totaling \$88,500 were awarded, six of which were to individuals conducting studies in speech pathology and audiology. The total cost of these was approximately \$18,000. In 1961, three fellowships, amounting to approximately \$12,000, were awarded in this field and in 1962, it is estimated that five fellowships will be awarded at a cost of \$20,500.

RESEARCH

The purpose of the OVR research and demonstration program is to provide partial support for research and demonstrations projects which hold promise of making a substantial contribution to the solution of vocational rehabilitation problems common to all or several States.

Specifically, research grants are awarded to stimulate research in the field of vocational rehabilitation and to encourage the initiation of research by agencies and organizations in areas of vocational rehabilitation needing exploration and investigation.

The objectives of demonstration projects are to establish pilot or experimental attempts to test or establish standards or methods of service that are practicable and effective for general application in the vocational rehabilitation program and to provide and evaluate special rehabilitation methods.

New knowledge is urgently needed in almost every aspect of communication and adjustment for the speech and hearing impaired person. The needs for research range from basic research in the physical and biological sciences, through differential diagnosis, the development of adequate instruments for evaluating the effects of respective treatment methods, reviewing and refining terminology used in describing and defining speech and hearing problems, to demonstration and testing of new or different rehabilitation methods.

The largest share of OVR funds for research in speech and hearing is for the support of specific research projects. Approximately 50 studies have been supported. These include studies in aphasia, cleft palate, esophageal speech, stuttering, clinical instrumentation in speech and hearing, lipreading, auditory testing and training, speech discrimination, and hearing aids. In the area of deafness, OVR is supporting studies in the mental health of deaf people, studies of the conceptualization process of deaf people, and studies of the effects of deafness on the learning process. Demonstration projects have been supported to evaluate a vocational counseling and guidance program for deaf college students, to determine the feasibility of prevocational and personal adjustment training for deaf adults with little or no academic and vocational education and to determine the value of an intensive, specialized educational and vocational program for mentally retarded deaf and hard-of-hearing persons.

Two research and demonstration projects are sufficiently unique to be mentioned specifically.

(1) In July 1961, Gallaudet College, with OVR support, established a counseling center for deaf individuals. Since deaf people have little access to any psychological services because of communication problems, the counseling center at Gallaudet purposes to attack this problem by recruiting experienced psychologists and training them in manual methods of communication. The purpose of the project is to demonstrate the feasibility and value of providing personal, social, vocational, and educational counseling for deaf persons. These counseling techniques are well known but the problem is their application to deaf persons.

(2) A recent grant to the American Hearing Society is for the establishment of two "satellite" hearing centers. These centers will have the minimum staff, facilities, and equipment to offer the basic audiometric evaluations and rehabilitation services needed by the majority of hearing-impaired people. The unique feature of these centers will be their affiliation with a larger, highly qualified, well-staffed comprehensive speech and hearing center. Such an affiliation will enable the "satellite" centers to refer to the large center the difficult hearing cases which present problems beyond their resources.

A language modalities test for aphasia which can be used in rehabilitation centers serving language-handicapped adults resulted from one research project supported by OVR. The test has been designed so that the speech pathologist can study the amount of language loss and design a therapy program. For the first time, prognostic indicators for potential success in therapy have been developed. The test is now available for use by qualified clinicians.

To date, 49 research and demonstration projects have been supported at a total cost of approximately \$1,921,000. In 1961 seven new awards and nine continuation awards were made for a total of \$365,433. It is expected that 7 new projects and 11 continuation projects with a total cost of \$470,000 will be funded in 1962. In 1963, it is hoped that the program can fund 7 new projects and 13 continuation projects with an estimated cost of \$660,000.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—OFFICE OF VOCATIONAL REHABILITATION

Financial support for speech and hearing

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963
Number of rehabilitants.....	6, 082	6, 529	6, 900	7, 400	8, 100
Grants to States.....	\$3, 500, 000	\$3, 700, 000	\$4, 125, 000	\$4, 775, 000	\$5, 350, 000
Research.....	359, 573	378, 800	365, 433	470, 000	660, 000
Training.....	287, 146	440, 000	736, 000	1, 189, 000	1, 699, 000
Total, OVR.....	4, 146, 719	4, 518, 800	5, 226, 433	6, 434, 000	7, 709, 000

AGING

I. SCOPE OF PROBLEM

The magnitude of the problem faced by National, State, and local governments and private organizations in assisting and rehabilitating the aged can best be illustrated by figures currently available on the increased number of these individuals in our population.

According to the 1960 census, nearly 53 million people in the Nation are aged 45 or more; 16½ million are 65 years of age or older. It is estimated that by 1980 some 68,400,000 of our population will be age 45 or beyond and that 24,500,000 of these people will be 65 years of age or older.

As the number of older people in our population increases, the number that will need rehabilitation will also increase. In view of this situation, the Office of Vocational Rehabilitation is designing programs not only to rehabilitate vocationally as many individuals as possible now, but also to assist the larger number of individuals who will be needing vocational rehabilitation in the future.

Such an objective is in accord with the 1961 White House Conference on Aging recommendations which urged immediate action to improve and expand rehabilitation programs for our older citizens.

II. NEED OF VOCATIONAL REHABILITATION SERVICES FOR THE AGING

Middle-aged and older persons suffer disproportionately from chronic illness and disability; consequently, one of their major concerns is health—both physical and mental. Usually, their economic condition makes it more difficult for them to bear the costs of prolonged medical services than younger persons. Often the care they receive in hospitals or other institutions is custodial rather than rehabilitative. This results in several million of our older citizens being almost solely dependent on others for their support or for meeting the normal demands of daily living. They cannot work, travel, feed themselves, dress, communicate adequately, or move about without aid.

Many could learn again to live their lives independently and with greater dignity if they were provided with modern rehabilitation services. Some could return to work. Others could be assisted to conditions enabling them to care for themselves. Rehabilitation services in either case would benefit not only the disabled person alone but also society as a whole. For example, lost wages would be restored to those who returned to work, industry would regain labor skills, and there would be new purchasing power and tax revenues in the economy. Institutional and welfare costs would often be reduced as some individuals would no longer be dependent or need constant attendance thereby enabling the community to benefit from decreased expenditures.

III. EXTENT OF DISABLEMENT AMONG AGING PERSONS

National estimates indicate that more than 5 million people in this country, aged 45 and over, have disabilities lasting 3 months or longer.

The Office of Vocational Rehabilitation estimates that approximately 1.5 million of these 5 million long-term disabled people—among them 115,000 persons 65 years of age or older—would need, could benefit from, and would want voca-

tional rehabilitation services in order to return to work. These 1.5 million people have either a chronic disease and/or a physical or mental impairment that constitutes a serious handicap to employment. Their disabilities are long term rather than temporary in nature; yet their conditions are not so serious or of such a nature that there is little chance to rehabilitate them for work.

The remaining 3.5 million probably cannot be rehabilitated in terms of work, but could, in varying degrees, be returned to self-care and independence through appropriate services. It would lift them from dependency on families, institutions, or public welfare, with consequent benefits to their dignity, relief of growing burdens on institutions, and reduction of public and private costs for their maintenance.

IV. PROGRESS IN REHABILITATION OF THE AGING DISABLED

As a result of modern rehabilitation services, there are many thousands of handicapped middle-aged and older persons at work in every occupational field performing jobs as efficiently and reliably as workers who have no handicap.

Under the State-Federal vocational programs, there has been since 1945 a steady increase each year both in the number of older disabled individuals rehabilitated into gainful employment and in the percent which this group constitutes of the total. In 1945, 7,344 disabled persons 45 years of age and older were rehabilitated into gainful employment in the State-Federal vocational rehabilitation program. This represented 17.5 percent of the total rehabilitated that year. In 1950, 14,127, almost twice the 1945 number, were rehabilitated, representing 23.8 percent of the total rehabilitated during the year. In 1960, the total number of individuals aged 45 and over rehabilitated was 25,674 which represents 29.1 percent of the total number of persons rehabilitated during the year. It is estimated that 27,400 persons 45 years of age and older will have been rehabilitated during fiscal year 1961.

These people are employed in every segment of America's productivity—in large and small industrial firms, on the farms, in retail stores and offices, in the professions, in their own small business, in the many service occupations, and in the important tasks of housewife and homemaker.

Many disabled older people in the white-collar group have entered or reentered occupations in which there are shortages of competent, professional and technical people, such as teaching, nursing, social and welfare work, the clergy, and laboratory technicians and assistants. In other groups they are working as office clerks, bookkeepers, secretaries, salespersons, cooks, maids, stewards, hostesses, waiters, beauticians, bakers, tailors, farmers—in short in every occupation in the Nation.

V. EXTENSION AND IMPROVEMENT PROJECTS SERVING THE AGED

One of the ways in which the States have been most effective in making it possible for more older people to be rehabilitated is through extension and improvement projects provided under section 3 of Public Law 565.

For example, the State of Kansas is providing special diagnostic evaluation services aimed at assisting the older worker to return to productive employment, Michigan is providing special rehabilitation services for the aged, Nebraska has assigned a counselor to serve the aged disabled as well as a counselor to assist in rehabilitation of the aged blind, and Oklahoma has begun a statewide study of the rehabilitation and employment needs of the older worker.

VI. RESEARCH AND DEMONSTRATION PROJECTS SERVING THE AGED

A wide diversity of problems is found among older disabled people. In order to obtain more knowledge about these problems, the Office of Vocational Rehabilitation is helping to support research and demonstration projects relating to this older group. Since 1954, the Office has provided financial assistance amounting to almost \$7 million for 71 such projects. Usually, the sponsors of such projects contribute an additional dollar for every \$2 of Federal grant funds, and to date grantees have invested nearly \$3 million of their own funds in these research and demonstration activities.

In 1961, the Office of Vocational Rehabilitation supported 40 projects with grants estimated at over \$2 million. All of these projects were developing new methods and techniques for dealing with the problems of disability among

older disabled individuals. For example, a project in New York City pioneered in demonstrating that disabled older workers could be successfully retrained and placed in employment. One hundred and ninety-seven handicapped men over 60 years of age were placed in competitive industrial employment. The oldest individual placed was over 80. The results of this project was so good that seven similar projects have been established in Kansas City and St. Louis, Mo.; St. Paul and Mankato, Minn.; Milwaukee, Wis.; Miami, Fla., and the Virgin Islands. In September 1961 representatives of these projects attended a 2-day conference in New York City at which the training and placing of older handicapped workers in employment were discussed.

A number of projects are seeking to assist older people confined to institutions and nursing homes to become as self sufficient as possible. For some, this would mean a resumption of a normal place in community life.

In the State of Washington an OVR sponsored project to rehabilitate the chronically ill confined to nursing homes was very successful. An elderly woman unable to respond, walk, or feed herself was committed by her family to a mental hospital and remained for 18 months. She was released to a nursing home and after 6 weeks of intensive treatment by the staff was able to respond, feed herself, and walk. She was subsequently returned home and her family was delighted and amazed at her progress.

The University of Michigan and the Illinois Public Aid Commission developed special staff training techniques and rehabilitation methods applicable in public and private nursing homes.

All of the research and demonstration projects have a common goal—finding new techniques and methods for restoring maximum functional or earning capacity to older disabled people.

VII. TRAINING

Since it is anticipated that a higher proportion of older disabled persons will require rehabilitation services, more of the training resources of the Office of Vocational Rehabilitation are being devoted to increasing the proficiency of rehabilitation personnel in relation to the older disabled person. The Office is supporting special institutes in geriatric rehabilitation in a number of our universities.

For example, the Department of Physical Medicine and Rehabilitation of the New York Medical College Metropolitan Hospital Center conducted a 2-week course on the principles and practices of geriatric rehabilitation for registered nurses, occupational therapists, physical therapists, and social workers.

In the spring of 1961 the State University of Iowa conducted two short-term training courses on techniques and methods of counseling the older disabled worker. In September 1961, the University of Utah Rehabilitation Center, in cooperation with other local agencies, conducted a workshop for professional personnel in the Salt Lake area designed to provide an educational opportunity and to create a positive attitude toward rehabilitation for those who care for aged and chronically ill persons in nursing homes.

In the past, workshops have been held in California, Arizona, Oregon, Texas, Mississippi, and West Virginia in order to bring together community agencies for a cooperative attack on problems of service to the aging. Future plans call for such workshops to be held in additional States for this same purpose.

VIII. REVIEW OF REHABILITATION OF THE AGING, 1959-63

A. Expenditures for rehabilitation of the aging, fiscal years 1959-63 (estimate)

1. State vocational rehabilitation agencies: Persons 45 years of age or over at acceptance rehabilitated—fiscal years ending June 30, 1959-63: ¹

Age at acceptance	Number of rehabilitants in fiscal year				
	1959	1960	1961	1962	1963
All rehabilitants.....	80,739	88,275	92,501	100,000	110,400
Number of rehabilitants age 45 years and over at acceptance.....	24,275	25,674	27,400	30,200	33,800
Percentage of rehabilitants age 45 years and over at acceptance.....	30.2	29.1	29.6	30.2	30.7

¹ The total number of rehabilitants are actual for fiscal years 1959, 1960, and 1961; for fiscal years 1962 and 1963 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants in the various disability groups are actual for fiscal years 1959 and 1960; for fiscal years 1961, 1962, and 1963, they are estimated on the basis of the proportion in the group for the preceding 5-year period.

2. State expenditures for the older handicapped person:

Fiscal year	Number of individuals aged 45 and over rehabilitated	Federal share of the cost
1959.....	24,275	\$12,250,000
1960.....	25,674	13,000,000
1961.....	27,400	16,375,000
1962.....	30,200	19,450,000
1963.....	33,800	22,350,000

3. Extension and improvement projects serving the aged:

State	Title of project	Fiscal year	Federal grant
Kansas.....	Services for a special group of diagnostic evaluation at the Hadley Memorial Rehabilitation Center to return older worker to productive employment.	1961	\$9,555
		1962	13,600
Michigan.....	Special rehabilitation services for the aged.....	1961	52,051
		1962	31,488
Nebraska.....	Assignment of a counselor to serve the aged disabled.....	1961	7,658
		1962	7,644
		1963	7,658
Do.....	Assignment of a counselor for the rehabilitation of the aged blind.	1961	3,829
		1962	3,822
Oklahoma.....	A statewide study of the rehabilitation and employment needs of the older worker.	1961	18,898

4. Research and demonstration projects expenditures:

Fiscal year	Research and demonstration projects	Selected demonstration projects	Estimate—New projects	Total
1959.....	\$445,437	\$147,320	-----	\$593,000
1960.....	585,081	205,212	-----	790,000
1961.....	1,474,676	283,074	-----	1,758,000
1962.....	1,854,091	152,250	-----	2,006,000
1963.....	1,751,000	166,000	\$550,000	2,467,000

5. Short-term training course expenditures:

	1959	1960	1961	1962	1963
New York Medical College.....	\$13,961				
University of Mississippi.....	1,010				
San Diego State College.....	2,575				
University of Connecticut.....			\$2,020		
University of Iowa.....			9,700		
University of San Francisco.....			1,257		
University of Utah.....				\$3,750	
Estimate.....					\$25,000
Total.....	17,546		12,997	3,750	25,000

B. Accomplishments

1. *Research.*—Although many economists and labor experts agree that the older worker has valuable skills and talents which can be utilized, unfortunately, many employers and a large portion of the general public are not convinced of his ability, much less the ability of the older handicapped worker, to produce in competitive employment.

The Office of Vocational Rehabilitation is attempting to counteract this point of view through research projects designed to present facts on the older disabled worker's productivity. For example, projects are now being conducted in Florida, Colorado, Massachusetts, Michigan, and Texas, geared to train and place the older handicapped worker into competitive industrial employment.

The New York project previously referred to which pioneered in demonstrating the feasibility of vocationally rehabilitating handicapped workers aged 60 and above and proved so worthwhile that seven other demonstration projects currently in operation were adapted from it, is engaged in a new project to promote employment of the aging disabled; also, plans are completed for two additional demonstrations to be adapted from the original project in the near future. Results of these studies, plus results obtained from other OVR-supported projects, will provide tangible evidence regarding the adjustment and performance of the older handicapped worker on the job.

A number of research and demonstration projects are designed to assist older people confined to nursing homes to become as self-sufficient as possible and to train nursing home personnel in modern rehabilitation techniques that can be applied to older persons under their care.

2. *Jobs for the blind.*—The Office of Vocational Rehabilitation puts forth sustained efforts to open greater job opportunities for the blind, including the expansion of vending stand opportunities under the Randolph-Sheppard Act. Over half of the vending stand operators are 45 years of age and over.

3. *Jobs for the deaf.*—As the inroads of automation have their impact upon the employment of the large numbers of older deaf workers in skilled and semi-skilled occupations, efforts should be increased to emphasize retraining and re-employment.

4. *OASI.*—The disability provisions of the Social Security Act in 1954, and as subsequently amended, have been a factor in the growth of the number of older people being served. Annually, about 400,000 applicants for disability benefits are referred by the Bureau of Old Age and Survivors Insurance to the State vocational rehabilitation agencies for possible vocational rehabilitation services. An increasing number of these applicants are being provided with rehabilitation services including many individuals from older age groups.

Under the OVR research and demonstration program, three major projects concerned with the development of improved medical and vocational evaluation techniques are being conducted in Louisiana, Ohio, and Minnesota. In addition, there are 11 recently approved demonstration projects designed to determine the extent to which the older and severely disabled persons may benefit from the provisions of vocational rehabilitation services.

C. Future plans

1. *Research and demonstration.*—In order to make progress in rehabilitating older disabled people it is necessary to have factual data. Such data are obtained primarily from research through which methods and procedures for various types of rehabilitation services are discovered, developed, and adapted for use.

It is planned to continue emphasis on research projects and conduct demon-

strations throughout the country which will illustrate the techniques or findings of research projects. Such demonstrations will serve to illustrate that with proper evaluation, training, and placement many older people can return to work, or with other assistance achieve greater independence.

2. *Training of personnel.*—There is an urgent need to orient hospital, nursing home and other institutional personnel in modern methods of rehabilitative care and techniques. Thus, training programs in the field of aging for professional and technical personnel working with older disabled people should be expanded.

There is, of course, the need to expand the basic professional training programs in rehabilitation for physicians, occupational therapists, physical therapists, rehabilitation counselors, speech and hearing therapists, and other specialists concerned with rehabilitation of the disabled.

3. *Community resources.*—It is of the utmost importance to establish services in the community for postinstitutional care of the aged who are ill, also services to sustain disabled individuals after restorative medical care, and prevent or reduce the need for institutionalizing persons who could be maintained in their homes. There is also a need to promote job opportunities for the aged disabled among local employers, to develop business orders for rehabilitation facilities, to establish recreational programs, friendly visitor programs, and other projects.

As our aging population increases, the demand for various types of services become greater, necessitating plans for expanded program operations and increased financial assistance to make program expansion possible.

The Office of Vocational Rehabilitation will continue to put forth sustained efforts to provide improved services for more aging disabled people in order that they may be able to be vocationally rehabilitated and/or help themselves realize their full potential.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—OFFICE OF VOCATIONAL REHABILITATION

Financial support for aging

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963
Number of rehabilitants.....	24, 275	25, 674	27, 400	30, 200	33, 800
Grants to States.....	\$12, 250, 000	\$13, 000, 000	\$16, 375, 000	\$19, 450, 000	\$22, 350, 000
Research.....	593, 000	790, 000	1, 758, 000	2, 006, 000	2, 467, 000
Training.....	17, 546	-----	12, 997	3, 750	25, 000
Total, OVR.....	12, 860, 546	13, 790, 000	18, 145, 997	21, 459, 750	24, 842, 000

DRUG ADDICTION

While the State vocational rehabilitation agencies stand ready to accept for vocational rehabilitation services narcotics addicts following the maximum period of treatment necessary, few cases have been referred and, of those accepted, the number of successful closures has been minimal. Seven were rehabilitated in 1959, and 10 in 1960. Under the circumstances, it is not possible to give estimates beyond this point.

Perhaps the most intensive effort has been made by the New York State Division of Vocational Rehabilitation. In 1953 a counselor was assigned to maintain liaison with Riverside Hospital, the hospital on North Brother Island established for the treatment of young addicts. Although more referrals have been made to vocational rehabilitation and more cases accepted from this source than from any other, results have not been encouraging. The report of a follow-up study of the total hospital population made in 1959 by Columbia University School of Public Health for the Interdepartmental Health Resources Board of New York State points up the many difficulties encountered in working with this group.

The study involved all new admissions between 1955 and 1959, a total of 247 patients. A record analysis based on information from the hospital and the State Department of Correction showed that 86 percent of the group had either been rehospitalized for treatment of narcotics use or rearrested by the police, or both, one or more times. Only 4 percent had no new experience in institutions and were believed to have had no apparent difficulties in posthospital adjustment.

Under section 4(a) (1) of Public Law 565 funds are available for research and demonstration projects. We would like to see a research project undertaken to test the impact on posthospital adjustment of more intensive and extensive vocational rehabilitation services in the hospital and we have encouraged applications. Applications submitted to date in this area have not been sufficiently comprehensive in the resources offered.

In 1954 the President established an Interdepartmental Committee on Narcotics, representing the Departments of State, Treasury, Defense, Justice, and Health, Education, and Welfare. This Committee was charged with submitting a report to the President at the end of 2 years. In turn, each Department appointed an Agency Planning Committee. In this Department the Committee was composed of representatives from each of the constituent agencies. It was the responsibility of these subcommittees to make an exhaustive study of the problem and report to the Interdepartmental Committee findings and recommendations reflecting the Department's position. The Psychiatric Social Work consultant was the representative from the Office of Vocational Rehabilitation on the Departmental Committee for this Department. The report of the Interdepartmental Committee was transmitted to the President in February 1956.

One of the 13 recommendations would seem to be of special significance if the objectives of rehabilitation services are to be achieved:

"The Department of Health, Education, and Welfare, because of its long experience with and responsibility for the treatment of addicts, further recommends for consideration a legislative step designed to provide for greater opportunity for the rehabilitation of certain addict violators, particularly in the groups whose criminal activity is secondary to their addiction. Under this proposal, wider latitude would be given to the courts by authorizing them, in the case of such addict violators, to commit the convicted offender for a period of hospital treatment, followed by an extended period of conditional release under close supervision by specially trained personnel. This procedure would be limited to those with the best prospects for rehabilitation, and would be applicable only under optimal conditions of posthospital supervision. A few cases could be selected immediately for this procedure, to be supervised in the few communities where adequate personnel and services for effective supervision and rehabilitation are available. The plan could be gradually extended to additional communities as effective local rehabilitation programs are developed."

This Office feels that no one community agency can assume responsibility for the total rehabilitation of the discharged narcotics addict. While one agency such as the State Health Department might serve as coordinator, health, education, recreation, rehabilitation, and law enforcement must join forces in extending to the addict every opportunity for a return to a healthy and productive way of life.

ALCOHOLISM

1. Problems in rehabilitating this disability group

The Committee on Alcoholism of the World Health Organization has defined alcoholics as: "Those excessive drinkers whose dependence on alcohol has attained such a degree that they show noticeable mental disturbance and an interference with their bodily health, their interpersonal relations, their smooth social and economic function, and who show prodromal signs of such developments."

In the field of vocational rehabilitation, alcoholism is a most serious problem. It is estimated that there are nearly 5 million victims of alcoholism in the United States today. About 2 million of these are jobholders who constitute almost 3 percent of the entire industrial force. Some 200,000 new cases arise annually. Wage losses attributed to alcoholism amount to almost \$4½ million a year. It ranks with cancer, heart disease, and mental illness as one of the four major health problems.

Most State vocational rehabilitation agencies accept alcoholism cases. Eligibility is determined and services for the treatment of alcoholism are purchased subject to the State criteria as applied to any other disability that constitutes an employment handicap.

It is the general policy of many State vocational rehabilitation agencies to accept for service only those persons diagnosed as alcoholics who are members of Alcoholics Anonymous. While there is a growing recognition that vocational counseling of the alcoholic, together with adequate treatment measures, may mean the difference between his recovery and successful personal, social,

and vocational adjustment on the one hand, and his failure or relapse on the other, it is also recognized that support and close supervision at all times, such as is available through Alcoholics Anonymous, is indispensable in achieving total rehabilitation.

2. Accomplishments

Federal-State program.—Each year State vocational rehabilitation agencies are making progress in rehabilitating more alcoholics into gainful employment. An estimated 690 alcoholics will be rehabilitated in fiscal year 1963, expending for this purpose an estimated \$450,000 in Federal funds in addition to State funds. In 1962, an estimated 550 were rehabilitated at an expenditure of \$350,000 in Federal funds. In 1961, 440 at an expenditure of \$260,000 in Federal funds. In 1960, 309 at an expenditure of \$175,000 in Federal funds, and in 1959, 246 at a Federal expenditure of \$140,000.

*Estimated number of alcoholics rehabilitated by the State vocational rehabilitation agencies in fiscal years 1959-63*¹

Major disability	Number of rehabilitants in fiscal years				
	1959	1960	1961	1962	1963
All rehabilitants.....	80,739	88,275	92,501	100,000	110,400
Number of rehabilitants with major disability of alcoholism.....	246	309	440	550	690
Proportion of rehabilitants with major disability of alcoholism.....	0.3	0.4	0.5	0.5	0.6

¹ The total number of rehabilitants are actual for fiscal years 1959, 1960, and 1961; for fiscal years 1962 and 1963 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants in the various disability groups are actual for fiscal years 1959 and 1960; for fiscal years 1961, 1962, and 1963, they are estimated on the basis of the proportion in the group for the preceding 5-year period.

EXTENSION AND IMPROVEMENT PROJECT SERVING ALCOHOLICS

A research and demonstration grant was made to the University of Utah to develop the role of vocational evaluation in an alcoholic rehabilitation program. The Utah rehabilitation agency felt this project has demonstrated effectively a concentrated clinic team approach to the alcoholic and his problem. Consequently, when the research and demonstration project was completed the Utah agency initiated an extension and improvement project: "Specialized Rehabilitation Services for Alcoholics." This project was awarded \$7,251 in 1960; \$7,280 in 1961. In 1962, it is being absorbed under the support program.

Although the Colorado agency's extension and improvement project is primarily to improve services to the mentally ill, it has added one counselor to serve the alcoholics.

RESEARCH

Under the research and demonstrations grant program as authorized under Public Law 565, the Office of Vocational Rehabilitation has granted funds for seven research projects on alcoholism. Three projects have been completed; four are currently active.

Grant awards for research and demonstration projects in alcoholism

Project No.	Grantee	1959	1960	1961	1962 ²	1963 ³
256	University of Utah, Salt Lake City ¹	\$34,386				
284	Volunteers of America of Los Angeles, Inc. ¹	31,090	\$41,118			
403	Connecticut Commission on Alcoholism, New Haven ¹	23,366				
418	National Council on Alcoholism, New York (a demonstration of the value of vocational counseling in a psychiatric oriented rehabilitation program for alcoholics. A 3-year project in the final year).		39,040	\$45,100	\$45,000	
616	The Salvation Army, San Francisco (to demonstrate the effectiveness of a long-term, inresidence, vocationally oriented program, in both rural and urban semicontrolled environments, for the rehabilitation of selected alcoholics. A 5-year project now in the 3d year)			46,290	50,000	\$50,000
640	Florida alcoholic rehabilitation program, Avon Park (to analyze and evaluate the collaborative techniques used by a State alcoholism program and State rehabilitation service in rehabilitating 200 alcoholic patients. A 3-year project now in the 3d year)			31,271		33,000
726	University of California, Los Angeles (to study career patterns of alcoholics in order to identify the relationship between drinking and vocational adjustment)			34,167	34,000	34,000

¹ Completed project.² Includes actual award if made; otherwise budget estimate used.³ Estimated amounts.*Summary of projects as of Jan. 15, 1962*

Totals:

Fiscal year 1959	\$88,842
Fiscal year 1960	80,158
Fiscal year 1961	156,828

Fiscal year 1962:

Continuations	129,000
New grants made	None
Total	129,000

Fiscal year 1963:

To continue projects begun 1961 and prior	117,000
To continue new 1962 projects	None

Total continuations	117,000
Estimate for new projects	35,000

TRAINING COURSES FOR REHABILITATION OF ALCOHOLICS

While the Office of Vocational Rehabilitation has made only one training grant specially in the field of alcoholism some attention has been given to this subject in nearly all of the short-term training courses on mental illness. The subject is also given some attention in the 2-year training grant program in the various universities receiving grants for counselor training. Some of the hospital fieldwork programs afford an opportunity for some extensive study of the problem and in California, at the San Francisco State College, a counselor had his field work placement with the California Commission on Alcoholism.

Each year a number of counselors from the State vocational rehabilitation agencies attend the Yale Summer School on Alcoholism and also those held locally such as in Colorado, Utah, and Louisiana. As counselors become more skilled in working with this group rehabilitations may be expected to increase.

In 1962, a grant of \$6,500 was made to Millsaps College in Jackson, Miss., for training counselors and other health and welfare workers concerned with the rehabilitation of the alcoholic.

Financial support for alcoholism

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963
Number of rehabilitants.....	246	309	440	550	690
Grants to States.....	\$140,000	\$175,000	\$260,000	\$350,000	\$450,000
Research.....	88,842	80,158	156,828	129,000	152,000
Training.....				6,500	
Total, Office of Vocational Rehabilitation.....	228,842	255,158	416,828	485,500	602,000

REHABILITATION OF ALCOHOLICS

Mr. FOGARTY. You have a statement on alcoholics but would you briefly tell us about the program in that area?

Mr. HUNT. It is estimated that 690 alcoholics will be rehabilitated in fiscal 1963.

Miss SWITZER. Not all States take them. I do not know whether I could say the majority even try. I suppose they do with one or two. But a State like Arkansas, for example, has a really very progressive program. We have several projects attempting to develop mechanisms for the rehabilitation of the alcoholics.

REHABILITATION OF DRUG ADDICTS

Mr. FOGARTY. What about drug addicts?

Mr. HUNT. We have a statement on drug addicts that you might wish to have.

Mr. FOGARTY. Is it possible to rehabilitate a drug addict?

Miss SWITZER. I think it is, but you have to have a lot of things we do not have. You have to have a sort of tight line of control, using control not in its police sense, but a tight line of control from the hospital. Assuming you started with Lexington Hospital and went on to where they live—Chicago, New York—we tried various ways.

Mr. FOGARTY. Was there any success?

Miss SWITZER. Not spectacular. We have had some.

Mr. FOGARTY. It has not been too encouraging?

Miss SWITZER. No. It is not encouraging because there are breakdowns in the production line. I think more than almost any other group, except parolees, you need to have immediate pickup and follow-up and intensive counseling at the time of discharge. You need to have some kind of big-brother counseling relationships to prevent the person from going back into the environment where the drugs are so readily obtainable that they cannot be resisted, and you can get a person to stay off them. I think this is a social problem also.

Mr. FOGARTY. It is a terrible problem. I hope something can be done about it.

Miss SWITZER. I think this is a problem that has to have a well worked out program, and maybe what is needed are a few institutions who carry the addict from the time of committal to the end of rehabilitation in maybe a halfway house sort of thing.

Mr. FOGARTY. Are there any halfway houses?

Miss SWITZER. None that I know of. If you could have a good hospital program such as Lexington would have medically, we would

engraft on it the kind of rehabilitation program we are now putting in our mental hospitals for mental patients, and then move the patient into a community halfway house with good supervision and a good responsible job placement that was almost paternalistic in the early months. You will not know for sure whether you can rehabilitate them until you try out something as highly structural as this.

In numbers, the large numbers of the people that we know about are from disadvantaged neighborhoods in New York and Chicago. They go back into social environments which make it almost impossible to keep them off the drug—almost impossible.

COST OF REHABILITATION

Mr. FOGARTY. I have asked questions about several groups like the mentally retarded, the mentally ill, and so forth, could you tell us what percentage were taken out of State institutions and what the average cost is to maintain a person in these areas. I know there are figures available for that.

Miss SWITZER. Yes.

(The information follows:)

NUMBER OF REHABILITANTS RECEIVING SUPPORT AT ACCEPTANCE FROM PUBLIC, TAX-SUPPORTED INSTITUTIONS

In fiscal year 1961, a total of 92,501 disabled persons were rehabilitated of which nearly 3,000 (3.2 percent of the total) were being supported at acceptance by public tax-supported institutions. Of this group, about 45 percent (1,300) were mentally ill or mentally retarded.

According to the latest data (for 1960) available to the National Institute of Mental Health, Public Health Service, the cost per resident patient in public, tax-supported mental institutions averages around \$1,700 per year. Using this average, the 1,300 patients of such mental institutions rehabilitated during 1961 represent an annual savings of around \$2.2 million to these institutions.

VOCATIONAL REHABILITATION OF HEMOPHILIACS

Mr. FOGARTY. You mentioned hemophilia. As I remember it, there are about a hundred thousand in the country. That is something that medicine cannot do much about. Once you have it, you go through life with it.

Miss SWITZER. That is right.

Mr. FOGARTY. The Institutes of Health are spending some money on research to try to develop some kind of drug that will help, but they have not had much success either. What are you doing in this field?

Miss SWITZER. We have only one project in Los Angeles. This project is working with young people between, say, 18 and 30 or even less—not children—to bring to bear on the routine of the individual a really intensive medical and vocational rehabilitation approach.

There are several characteristics, I think, of families of these children that you can well understand. They are overprotective. They have to be or otherwise they would bleed to death. They have to have very sustained and expert medical therapy because they have to have blood transfusions periodically. They get into a psychological frame of mind which is almost inevitably psychosomatic.

Exploratory projects are needed to give hemophiliacs greater independence by planning a program for them, getting them out of the home environment into another, giving them the proper kind of educational and vocational counseling so that we will try to guide them into lines of work which will be consistent with their condition and not inimical to it. At present we have just this one project. We would like very much to get some others to try out different points of view on this.

Mr. FOGARTY. I believe we should stress this more than you have. If we give you the money, maybe you can do it.

Miss SWITZER. We have already asked the National Hemophilia Foundation to identify projects and other activities, as well as people who would be interested in carrying them out on a pilot basis.

Mr. FOGARTY. The foundation is new.

Miss SWITZER. They know the key people who can provide leadership in developing services and identifying research needs.

DISABILITY DETERMINATION PROGRAM

Mr. FOGARTY. They have some good people at the head of it.

How are you making out with OASI on the disability determination program?

Miss SWITZER. We are not making spectacular gains, but we are making steady gains.

Mr. HUNT. We are running about 4,200 cases rehabilitated each year among this group. This is a jump up from a couple of years ago. We are moving up a bit at a time. We are running about 4 or 5 percent of all the cases we rehabilitate. They are very difficult cases, and OASI realizes that as well as our State people. There has been a tremendous amount of work done in understanding the whole problem. We are working very closely with old-age and survivors insurance. We have 3 fine research projects and 11 special projects in which State agencies take the allowed cases that are very severely disabled and give them very special service to see what could be done. This should increase percentagewise the number of cases rehabilitated.

Mr. FOGARTY. Are you satisfied with the progress you are making?

Mr. HUNT. We feel we are doing all we know how to do, but we are, like everybody, disappointed in the percentage of cases that we have been able to rehabilitate. Before we got into it, it was easier to think that if you just could get your hands on these cases, and have sufficient funds, you could do a job on all of them. This has not turned out to be the case. Some are very severely disabled people and up in years, too.

Mr. FOGARTY. I was going to say they are older than the general population.

Mr. HUNT. Yes; you have a lot of cardiovascular cases and arteriosclerotic cases that are quite advanced.

Mr. FOGARTY. I think that project in Rhode Island proved its worth.

Mr. HUNT. Yes.

Miss SWITZER. These other projects are patterned after that, but they are concentrating only on recipients.

Mr. FOGARTY. Judge Roche, of our workmen's compensation commission in Rhode Island, gives your group considerable credit for the number of people from workmen's compensation that have been re-

habilitated in the last 2 or 3 years. That helps, economically, the insurance carrier and the people who are building buildings and affects four or five groups of people when you get the person off the compensation and back to work, as well as helping the individual.

NATIONAL CONFERENCE ON WORKMEN'S COMPENSATION

Mr. HUNT. We have made a grant for a National Conference on Workmen's Compensation to be held in Ann Arbor in June.

Mr. FOGARTY. Why do you have so much in Ann Arbor? What is the matter with Rhode Island?

Miss SWITZER. It is a good question.

Mr. HUNT. Facilities are excellent there. I think Ann Arbor is quite an inviter.

Miss SWITZER. I do not know that their facilities are so much better than many other places.

Mr. HUNT. I do not know why it was chosen. The National Rehabilitation Association chose it.

Mr. FOGARTY. When is it?

Mr. HUNT. I believe the second week in June.

EXTENSION AND IMPROVEMENT PROJECTS

Mr. FOGARTY. Would you supply for the record some examples of worthwhile results from the extension and improvement projects—how many are in operation now and how many you will support next year.

Miss SWITZER. We have quite a good record on that. In fiscal year 1961, there were 92 extension and improvement projects. We estimate there will be 100 projects in 1962 and 115 in 1963. Up to the present time we have 71 projects that have been approved for this fiscal year. The ratio of approved projects to date compares very favorably with the ratio in previous years since a sizable number is usually started in the third and fourth quarter.

(The requested information follows:)

EXAMPLES OF CURRENT EXTENSION AND IMPROVEMENT PROJECTS

Illinois: Cooperative project with Champaign schools for the rehabilitation of handicapped youths

This project has been developed by the Illinois Division of Vocational Rehabilitation in cooperation with the public school system of Champaign. The objective is to provide a program of services to bridge the gap between school and employment for handicapped youths.

The project was begun in September 1960 and during its first year of operation 150 handicapped youths were provided with service. These handicapped young people fall into the following disability categories: those with limited intellectual ability, the mentally handicapped, the partial seeing, the blind, the orthopedically handicapped, those with speech handicaps, the deaf, and those with multiple handicaps. The caseload is expected to double in 1962.

A council on prevocational education of the handicapped, made up of school personnel, has been established to assist in identifying in-school job opportunities for the handicapped and in improving the prevocational curriculum in the special classes. A community council on the handicapped is being organized. With the help of key persons in the community, part-time work experience as well as full-time employment of the handicapped will be facilitated.

This project is an example of a number of projects which have been initiated as joint undertakings between rehabilitation agencies and special education

programs. Staff, funds, and other resources are pooled in order to bring the maximum effort to bear on the provision of services and work opportunities needed to rehabilitate handicapped young people at the start of their working careers. Careful provision is made for technical supervision of both the educational and rehabilitation services and for the interest and support of local employers and community groups.

Ohio: Medical consultation

State rehabilitation agencies purchase medical examinations in order to establish nature of the disability and plan the rehabilitation services needed for the disabled individual. They also purchase surgery and medical treatment, hospitalization, prosthetic appliances and related medical services when these are needed in the rehabilitation process. It is therefore essential for a State agency to have adequate medical advice and consultation on the provision of medical services to disabled individuals.

Until recently the Ohio Bureau of Vocational Rehabilitation had depended upon the consultation available to the State headquarters staff from a medical consultant on a part-time basis. In 1960, the bureau employed part-time medical consultants in its major field offices and has since strengthened medical consultation in the State office. Ohio is now forming a medical advisory committee composed of physicians representing different medical specialties and geographical areas in the State. The medical advisory committee will advise the bureau's director and medical administrative consultant on all medical aspects of its program.

Rhode Island: Job training and placement coordinator

In 1961 the Rhode Island Division of Vocational Rehabilitation appointed a job training and placement coordinator to develop a system of finding job training opportunities throughout the State particularly suitable for disabled clients and to organize better methods than those currently in effect to identify a larger number of jobs in Rhode Island's industries available for placement of the disabled through increased understanding on the part of the State's employers. The results of the first 6 months of this project have been fruitful and a sound basis has been established for future operations. Financing under section 3 of the Vocational Rehabilitation Act will continue in 1962-63.

West Virginia: Governor's study of the utilization of disabled persons in State employment

In 1961 West Virginia ranked first in the number of disabled people rehabilitated in proportion to population. This record is the more remarkable in view of the report by the State that: "Placement of the handicapped in West Virginia has been hampered by large-scale unemployment, severe competition for available jobs, lack of work opportunities, and general economic debility".

On May 29, 1961, the Governor, who has been active in taking steps to improve economic conditions, directed a request to the West Virginia State Division of Vocational Rehabilitation and the West Virginia State College to study the employment and possible employment of the handicapped in State government and recommend a plan for employment of the handicapped.

An extension and improvement project for the Division of Vocational Rehabilitation was approved effective January 1, 1962. The technical director is professor of sociology at West Virginia State College. The study covers the various offices and departments of State government and includes the jobs located throughout the State as well as those in the State capital. It will also cover the 15 000 emergency jobs assigned to facilities in State government in connection with the emergency employment program for the unemployed.

RESEARCH AND TRAINING

ACTION ON ORIGINAL REQUEST

Mr. FOGARTY. On the "Research and training" appropriation I see the Department cut you down about \$1.5 million, from \$32,650,000 to \$31,200,000.

Miss SWITZER. It was more than that.

Mr. FOGARTY. I am referring to your request to the Department of Health, Education, and Welfare. I am not talking about the Bureau

of the Budget. The Bureau of the Budget gave you a considerable cut, but your original request to the Department was cut by \$1.5 million. Did you not make a good case before the Department?

Miss SWITZER. I thought we made an excellent case. I do not recall now—

Mr. FOGARTY. Do you still think that \$1.5 million is needed and could be used?

Miss SWITZER. Considering our program, alone, I certainly do. When you study the number of projects that are approved in relation to the resources we have, I am not even sure that this would cover our total potential obligations, but it would not do much more than that.

Mr. FOGARTY. I am surprised you did not ask for more.

Miss SWITZER. I am, myself.

Mr. FOGARTY. In view of the backlog in this field of research and training.

Miss SWITZER. We have to judge what the traffic will bear. What in line with other fiscal demands on the Government and its revenue can be devoted to this purpose. I just would love to get a great big boost in this appropriation so that we really could get going.

Mr. FOGARTY. How much would you like to see appropriated?

USE OF ADDITIONAL FUNDS

Miss SWITZER. Speaking strictly from the point of view of our program, if we could get back our reserve of a million dollars and get that into our base and could get \$5 million more for 1963, we could do spectacular things.

Mr. FOGARTY. \$5 million more than the budget?

Miss SWITZER. Yes.

Mr. FOGARTY. What do you mean? Tell us about some of those spectacular things.

Miss SWITZER. For example, most of our projects now are relatively small. They average about \$35,000 in cost. We would like, in a few of these fields where we really know how and know what we can do, and how fast we can do it, to take the most productive combinations of activities in the areas of mental retardation, mental illness, and severely disabled older persons, and put \$100,000 or \$150,000 per project into really doing a saturation job. I would like to go into an area and find everybody that needed rehabilitation and give it to them. This we have never been able to do. But if we could do a few of these, we could not do as many as we would like to in 1 year—

Mr. FOGARTY. We are doing that same thing in some other areas.

Miss SWITZER. You have done it in preventive medicine.

Mr. FOGARTY. We are trying it in juvenile delinquency in one area in New York; I think most people would call it a saturation project.

Miss SWITZER. We have a saturation project in New York, also, working with a number of New York City health and welfare programs to assist families with many problems. In our Detroit school project, there will be a saturation of services to the retarded children in a limited number of the districts in the Detroit area. If we get the proposed project worked out in Rhode Island, with the special education and the school people, this will be a concentration of services for children in the school system of Rhode Island.

Mr. FOGARTY. All handicaps?

Miss SWITZER. All handicaps will be served.

“INCURABLES”

Mr. FOGARTY. Does that include incurables, too?

Miss SWITZER. Incurable is not a name I care to use. A person may be incurable in the sense that you cannot change his condition.

Mr. FOGARTY. How do you know he is incurable?

Miss SWITZER. I do not know. Who can say that?

Mr. FOGARTY. Who can say whether a child is incurable or not?

Miss SWITZER. We never admit that. You may not be able to change their condition with known knowledge, but you can certainly do something for everybody. This is my philosophy—something for everybody.

There is a man in Connecticut named Eric Sandahl who was, I think, the editor of the Bridgeport News. He was formerly president of the Connecticut Association for Retarded Children. He wrote a beautiful tribute to his little daughter as part of the appeal for the rebuilding of the rehabilitation center in Bridgeport. She cannot talk. She is extremely disadvantaged. But he was telling what her experiences in the center have done for her and how maybe the only thing she could do was to love and receive love. It was so easy to see how this child might benefit. Most people would say she is incurable, most people would say, “Why bother with investing money in such a person?” However, this kind of person, with the proper kind of organized program, pays bigger dividends in areas that we cannot measure in money than any kind of effort. I do not think we should ever say that there is not something we can do for everybody.

Mr. FOGARTY. In the work in Rhode Island there have been some almost impossible things accomplished.

Miss SWITZER. If you look at some of those people, you would think they could never earn a dime, much less a dollar.

Mr. FOGARTY. Also there is the dental clinic. I would hope it would be adopted in other States. We have seen some wonderful results. For the first time these kids are able to get dental attention because the average dentist does not have the equipment and does not want to take the time.

Miss SWITZER. Cerebral palsy is an awful problem. Yesterday the National Advisory Council on Vocational Rehabilitation approved a project for the Human Resources Foundation, Henry Viscardi's research organization, to apply to the retarded the industrial processes he has found so successful for physically disabled people.

Mr. FOGARTY. I read his book.

Miss SWITZER. He is a great character. The new project will break down those industrial processes, and adapt them so mentally retarded can perform them successfully. He already has about a dozen retarded persons employed at Abilities. More important is to show how by breaking down some known industrial processes into bits and pieces he can get the industries of the community to fit the people, in. Those who cannot be fitted in, can come into a workshop.

ACTIVITIES FOR WHICH ADDITIONAL FUNDS COULD BE USED

These are the things we would like to do. If we had \$5 million—

Mr. FOGARTY. Do you have a couple other examples? Just supply two or three other examples.

(The information follows:)

ADDITIONAL FUNDS FOR 1963 RESEARCH PROGRAM

Additional support of \$5 million for the 1963 OVR research program would be used for two areas in which adequate support is of the highest priority: \$3,500,000 would be used to strengthen the research and demonstrations program by initiating a number of new, relatively expensive projects dealing with the more severe disabilities; and \$1,500,000 would be used to initiate three more rehabilitation research and training centers similar to the two activated in 1962. Details of these program increases are set forth in the following statements.

RESEARCH AND DEMONSTRATION PROJECTS

Availability of an additional \$3,500,000 in 1963 for the research and demonstration grant program would permit payment of about 150 new projects.¹ This would enable the program to progress at the normal rate established by appropriation levels in 1960 and 1961. In 1960, 101 new projects were approved and 116 in 1961. Assuming that about 135 new projects would have been an appropriate program level for 1962, then the same rate of annual increase would approximate 150 new projects in 1963.

An additional \$3,500,000 would be used to capitalize on the results of earlier research and demonstration projects by combining these results into new, more extensive types of service and demonstration efforts for such groups as the mentally ill and retarded, the deaf, the blind, younger disabled persons who need early and extensive rehabilitation service to prevent life-long dependency and to enable these persons to have personally and socially satisfactory and productive lives.

A. COMPREHENSIVE DEMONSTRATION

About 25 pilot demonstration projects would be designed to saturate the rehabilitation needs of certain severely disabled groups, such as the mentally retarded, mentally ill, deaf and hard of hearing (and certain groups of the deaf who are also blind or emotionally disturbed), those with hemophilia, older persons, and young severely disabled persons for whom early and intensive rehabilitation is an absolute necessity as a means to productive later life. These projects would combine all available results of earlier research and tested good practice relevant to the respective groups. Each project would aim at setting up a definitive pattern of rehabilitation activities feasible in an average urban community, which would draw on all other available or foreseeable local services, public and private, as well as the special contributions of the project. Project staff and services would constitute a core around which the larger pattern of total community effort would be organized and coordinated.

Projects for the mentally retarded would supply intensive case-finding to locate all the retarded needing service, work evaluation, and work training for competitive or sheltered employment, social adjustment training, family and parent counseling, vocational counseling and job placement, long-term followup, and the organization of needed medical, dental, and other assistance needed to restore and sustain individuals at their optimum vocational and social level. Services would be graduated to the needs of various degrees of retardation and extensive enough to approach saturation of at least basic rehabilitation requirements.

Projects for the mentally ill would have essentially the same format as for the mentally retarded. For this group half-way house facilities, emergency psychiatric counseling, and other vocational aspects of after-care and followup would be included.

It is now possible to initiate in at least one large State, where there are 10,000 known deaf persons, a program which will reach the emotionally disturbed and psychotic deaf. This would be an outgrowth of an earlier research study. It would also be possible to start a regional center for the deaf-blind which would for the first time create adequate services for this extremely severely disabled group on a scale which would serve as many as a third of the total deaf-blind population. Another type of project would combine vocational services for those deaf or hard-of-hearing persons who would regain some degree of hearing from experimental surgery.

¹ Including the 85 new projects in the budget estimate.

At present there are no complete programs supplying the close combination of medical and vocational assistance required by the hemophiliac. There are about 100,000 hemophiliacs, most of them young enough to attain a lifetime of benefit from early, effective rehabilitation. Several pilot programs can be started in selected large communities to work out the technical, economic, and administrative solutions required to serve this group. In working with the hemophiliac and his family there is ideal opportunity to display the full integration of medical, psychosocial, and vocational services at the local level. Much can be learned about the entire rehabilitation process by working with the problems of this group.

Research and demonstration projects may be employed to prove the value and create the administrative prototypes for extending service to young persons with all types and degrees of disabilities. Projects already mentioned for the retarded and hemophiliac are largely concerned with the younger age group, but more attention needs to be given to the severely orthopedically disabled and the young person with emotional disturbances. Projects designed to saturate the high school and young adult levels in communities are greatly needed. Such projects would aim to mobilize and focus all community resources on the age group which can best absorb and benefit from intensive help, and from which the greatest ultimate social and economic benefit will be gained.

It has been brought to national attention that vocational rehabilitation when combined with effective social casework, can be decisive in moving many public assistance recipients to gainful employment and social self-sufficiency. The same possibilities exist for older disabled workers, with whom small-scale studies and demonstrations under this program have proved phenomenally successful. These techniques can be taken into neighborhoods where there are concentrations of older persons in specially-designed public housing, institutions, and private homes, so that project services become one of the factors essential to stable community life for these people.

B. MEDICAL AND MEDICALLY RELATED STUDIES

Medical advances create rehabilitation opportunities. Paraplegics, quadriplegics, hemophiliacs, those with spina bifida, multiple amputees, those with severe paralysis from the myelopathies, certain epileptics, certain cardiacs, many of the mentally ill, and many other groups are given life and/or increased function through improvements in surgery, medicine, and allied medical techniques. However, most of these advances create the need for parallel medical studies from the standpoint of physical restoration and vocational functioning. These additional studies are essential to ascertain the proper regimes of medical management required to achieve and maintain vocational functioning in large numbers of people on a long-term basis. There are also additional medical problems to be solved (decubitus ulcers, urinary conditions, stump hygiene, etc.) which arises once the major threat to life has been removed. Also, there are many special assistive devices to be invented, tested, and made available on a trial basis. Beyond all this, there are many basic techniques and devices in the field of physical medicine and rehabilitation to be studied, improved, and extended into wider use through research and demonstration.

C. MENTAL RETARDATION RESEARCH

The research program is stimulating an increasing interest among behavioral and social scientists in possibilities of more effective teaching of the mentally retarded through more careful research in the ways in which the retarded learn, and the use of special teaching procedures. Recently several requests for very advanced studies have been submitted by organizations highly qualified in this field. The breakthrough in rehabilitation of the retarded probably will not be the result of a single study, but the cumulative results of many investigations of many aspects of the intellectual and social characteristics of retardation and of the utility of many teaching and rehabilitation techniques.

D. OTHER RESEARCH AND DEMONSTRATION AREAS

Besides the special areas already discussed, a number of additional subjects would be pursued more extensively. The ongoing program of selected demonstrations in mental retardation, employment of older disabled persons, rehabilitation and employment of welfare clients, optical aids clinics, and other areas would be extended.

Additional research projects would be funded in prosthetics and bracing, assistive devices for the blind, speech correction services, State program development, improvement of workshops and other special rehabilitation facilities, and a variety of other special studies.

SPECIAL CENTERS PROGRAM

Additional support of \$1½ million for special centers in 1963 will finance three additional rehabilitation research and training centers for full-year operation at \$500,000 each.

The unique advantages to be derived from comprehensive research and training centers have long been recognized. With a properly arranged concentration of outstanding talent and other resources to do topflight research and to conduct a comprehensive training program, both graduate and undergraduate, in the several specialties of rehabilitation, it will be possible to carry out a well-planned research and training program that will tie together the various pieces of a research effort in a particular area, and produce physicians, counselors, and other rehabilitation personnel who will be familiar with the whole spectrum of rehabilitation as it functions today.

This concept of research and training requires a concentration of the skills of many rehabilitation specialties such as medicine, rehabilitation counseling, physical therapy, occupational therapy, speech and hearing, psychology, and prosthetics. There must also be experienced researchers in biochemistry, physics, engineering, and certain other professional fields which are constantly growing in importance in rehabilitation research. All of these must be working in a setting which has every resource they need.

To obtain the necessary setting, the centers will be established in connection with selected universities having the requisite resources for research and training in the various disciplines of rehabilitation, including medical schools with comprehensive programs in physical medicine and rehabilitation, and which encompass the necessary medical and other services considered essential to carry out a comprehensive program of patient care and rehabilitation including the provision of specific beds assigned to rehabilitation.

The research conducted by these centers will encompass any aspect of the rehabilitation process from onset to retraining and placement of the disabled. It will be both broadly directed to rehabilitation problems of national importance and specifically concerned with rehabilitation as it applies to specific diseases or a group of related diseases.

The training program will provide training of all types, long-term as well as short-term, professional, technical, and for any or all categories of students, graduate or undergraduate, working in any of the medical or medically allied and other professions engaged in rehabilitation. The program will provide training in such areas as the principles of rehabilitation, special problems of rehabilitation as related to specific disabilities or groups of disabilities, and the interrelationship of medical and allied medical and other disciplines in the practice of rehabilitation. In all instances, training will be based upon a defined, organized program of instruction designed for undergraduate medical students, interns, residents, and undergraduates and graduates in the allied professions working in the field of rehabilitation.

REGIONAL CENTERS

Miss SWITZER. We would like to have one or two additional centers like Minnesota and New York University.

Mr. FOGARTY. I think you should have three or four. Why haven't you?

Miss SWITZER. We have two now. In our original estimate, which was not allowed by the Bureau of the Budget, we had money for five centers, a million dollars to carry on the existing two, and a million and a half for three others. They do not all have to be \$500,000. Some might be less. I think these are going to be the real pay dirt of the future as far as research and training leadership is concerned.

EFFECT OF ADMINISTRATIVE RESERVES

Mr. FOGARTY. Knowing you as I do, I am surprised you let the Secretary put this \$1 million in reserve. Could you not do anything about it?

Miss SWITZER. I certainly did everything I could.

Mr. FOGARTY. We did not appropriate too much, did we?

Miss SWITZER. You did not appropriate too much.

Mr. FOGARTY. The appropriation was already about a million less than you need?

Miss SWITZER. That is right. You will recall last year you added a million for the centers here in the House, an additional million for training; the Senate added a million for research. It was about to be cut in conference, and you had \$250,000 sort of morally earmarked for speech and hearing. We lost a considerable portion of that in this reserve too, because the training appropriation was almost all obligated for its long-term grants by the time the notification of the reserve came up.

Mr. FOGARTY. I am surprised, because we earmarked that and said that should be done. That was the only way we could get the \$250,000. We thought we should get started in this area because of men like Dr. Wilkerson and others who have been after us for 7 or 8 years. We finally thought we had started. It is sad news that you give me now that a lot of it is not going to be used for that purpose. The money is not available?

Miss SWITZER. It is in reserve.

Mr. FEREBEE. I think it was about \$70,000.

Mr. FOGARTY. What else had to be cut back?

Miss SWITZER. Another example is comprehensive surgical problems on reduction of deafness. Dr. Masland has had a number of very specialized research surgeons doing ear surgery to reduce deafness or eliminate it. One of the projects we are supporting at the University of California at Los Angeles—we have just established it with part of this money—will be a combined operation between Dr. Jack Pressman, a surgeon specializing in problems of the ear, and Dr. Victor Goodhill, a research audiologist. They will develop a combined program of experimental surgery of the ear and audiological and vocational rehabilitation services for those whose hearing is benefited. There are large numbers of people in the Los Angeles area alone that could be benefited, either their hearing partially restored or deafness prevented, by the new surgical techniques that are being developed.

One of the things I am hoping we can start next year is an intensive effort in this area because this is relatively simple, not even very expensive. People do not have to be hospitalized a great many days.

Mr. FOGARTY. We have not done much on this.

Miss SWITZER. No.

Mr. FOGARTY. We finally got a bill through to train teachers of the deaf. There is a great shortage there.

Miss SWITZER. That is just a 2-year program.

Mr. FOGARTY. We hope this Congress will take care of that.

Miss SWITZER. I hope so, too. It is very important.

Mr. FOGARTY. Perhaps we can take off the ceiling of a million and a half a year, too. We are making some progress in this field?

MISS SWITZER. Yes, we are really making some progress. We have momentum, which is the important thing. We have a lot of people trying to work with us. One of the disadvantages of a reserve like this is you get people all steamed up, they send good projects in, you cannot pay them, they get discouraged.

DECLINE IN NUMBER OF RESEARCH AND DEMONSTRATION PROJECTS

MR. FOGARTY. I notice on page 28 that you started 67 new research and demonstration projects in 1959, 101 in 1960, 116 in 1961, and now you estimate 85 in 1963. This looks to me like you are going in reverse.

MISS SWITZER. That is right. The Bureau of the Budget's theory is—Mr. Kelly can correct me if I am misstating this—that we were simply allowed to support the same number of projects that we had this year. This is about what we estimated we would be able to do. I think it is not enough.

MR. FOGARTY. It is a considerable drop from 101 in 1960 and 116 in 1961. What is the reason for that?

MISS SWITZER. That is all we will be able to start with the money available.

MR. FOGARTY. Will you supply for the record how much money would be needed to bring that up to 100 and what kind of projects you would start or you think should be started.

(The information follows:)

EFFECT OF INCREASING LEVEL OF RESEARCH AND DEMONSTRATION PROGRAM TO 100 PROJECTS

With funds for an additional 15 projects in the 1963 fiscal year, it would be possible to use accumulated experience and findings of earlier studies, in launching several types of new programs serving the disabled on a community-wide basis. The research program has produced detailed knowledge of the specific needs of certain types of disabled persons so that we can now put together all the elements required for truly effective local vocational rehabilitation programs. Such comprehensive programs do not exist in any community at present, and it is important to demonstrate the principles and techniques involved.

A. DEAFNESS AND BLINDNESS

In the area of service to the deaf and hard of hearing, it would be possible to initiate vocational and guidance services to the considerable numbers of emotionally disturbed deaf among the 10,000 known deaf individuals in New York State. This program, based on earlier research, would be sponsored by the State and would not only be the first service of its kind anywhere, but would eventually have beneficial effects on general programs of services to the deaf at the State level. Another project would be equally important in beginning vocational services to deaf and hard of hearing persons who might benefit from experimental surgery. A third project would make previous findings and demonstration available on a regional basis to those who are both deaf and blind, and would be the first step toward provision of adequate service and adjustment for the small but terribly disabled deaf-blind population of the country.

B. REHABILITATION OF DISABLED WELFARE CLIENTS

Experience of many State rehabilitation agencies plus recent techniques developed in projects make it feasible to start several programs for rehabilitation and placement into remunerative employment of disabled persons receiving public assistance whose disabilities and lack of vocational skills are major blocks to employment. Five such projects in strategic large communities would alert the country to the large-scale possibilities.

C. HEMOPHILIA

Advancing methods of medical care have given the hemophiliac hope of life, but left him with a demand for extensive and continuing rehabilitation if he is to use his life satisfactorily to himself and to others. There are about 100,000 hemophiliacs, most of them young enough to benefit fully from early comprehensive rehabilitation. A small pilot program can be started through projects to show the character and local organization of required services, which would include vocational counseling, family casework, psychological guidance to the hemophiliac and the family, liaison with schools, and assurance of required medical care.

D. MENTAL RETARDATION AND MENTAL ILLNESS

Many sources, including research and demonstration projects under this program, have documented the multiple needs of the severely mentally retarded. No program or agency has yet organized the proper services on a scope adequate to meet all the needs for all the retarded individuals in the average community. Similar conditions exist in the area of rehabilitation of the discharged mental patient. As a strict minimum, two projects for the retarded and two for the mentally ill would supply pilot demonstrations to make the country aware of the level of funding and extent of service needed. These projects would include opportunities for work training and transitional work experience, family and vocational counseling, intensive placement in selective employment, emergency psychiatric counseling for the mentally ill, halfway house facilities, followup of cases, and liaison with all other community services related to cases served.

The estimated 1963 cost of these 15 projects is \$1,600,000.

REQUESTS FOR NEW PROJECTS

Mr. FOGARTY. You say on page 30 you will receive at least 250 applications for new projects in 1962 and estimate 300 next year. There are going to be a lot of disappointed people.

Miss SWITZER. There are a lot of disappointed people already.

Mr. FOGARTY. It is getting worse instead of better.

Miss SWITZER. It is getting worse all the time. I think we will not be able to pay all of the projects that will have been approved by the three Council meetings this year, even if we use up all the new money on July 1 under this 1963 budget. We will not be able to pay all the projects that are approved.

Mr. FOGARTY. If this trend keeps on this way, you are going to have a lack of interest on the part of people who have in mind making applications for such projects.

Miss SWITZER. That is right. We are afraid of this.

Mr. FOGARTY. This could ruin your entire program.

Miss SWITZER. This is why we made such an earnest plea to have the reserve released, because we felt that we have organized study sections, we have more highly trained and professional people associated with us, and we feel that the momentum that has been building up—nothing is more discouraging than cutbacks.

Mr. FOGARTY. Supply for the record a few examples of research demonstration projects that you feel are really worthwhile that have been or are being financed from these funds.

(The information follows:)

SELECTED EXAMPLES OF PROJECTS UNDER THE RESEARCH AND DEMONSTRATION GRANT PROGRAM

MENTAL AND EMOTIONAL DISABILITY

1. "A Study of the Contribution of Workshop Experience in the Vocational Rehabilitation of Posthospitalized Schizophrenic Patients," Jewish Vocational Service of Essex County, Newark, N.J., Joseph L. Weinberg, project director.

This is a cooperative study involving the State rehabilitation agency, the Overbrook Hospital, and the workshop of the sponsor. Valuable information has already been collected and distributed on the development of cooperative relationships among the participating agencies in the rehabilitation of the mentally ill, and successful results thus far have stimulated statewide interest in this approach. Hospitals are for the first time emphasizing vocational rehabilitation for their psychiatric patients and professional groups have expressed interest in orientation training in this area.

2. "Rehabilitation of Recent First-Admission Geriatric Mental Hospital Patients," University of Michigan, Ann Arbor, Mich., Wilma Donahue, Ph. D., project director.

This is an experimental research-demonstration project which will attempt to arrest or retard manifestations and/or rate of senile changes in patients 60 years of age and over admitted for the first time to a mental hospital without previous history of psychiatric disorder, and to rehabilitate them for discharge through participation within the institutional setting in a normalized living situation, including retraining and work experience. Patients selected to participate in the study will be specially housed in a community living ward where the sociopsychological therapeutic programs will be carried out.

3. "To Establish an Orderly, Systematic Method of Processing Vocational Rehabilitation Cases in Pulaski County, Ark.," Arkansas Vocational Rehabilitation Services, Little Rock, Ark., W. R. Ooley, project director.

The project experimented with procedures for utilizing rehabilitation counselors in their specialized function to the best advantage of both the client and the rehabilitation agency. Project results clearly indicated that persons with mental illness, pronounced emotional deviation, personality, character, and behavior disorders are in general served more adequately in a team or group than by an itinerant worker. Both the number served and level of vocational rehabilitation success were higher in the group situation. As a result of this study, a number of statewide recommendations were made, including the expanded use of the group approach, particularly with the mentally handicapped, and the addition of part-time psychiatric consultants to such teams.

MENTAL RETARDATION

1. "Personality Measurement With Mentally Retarded and Other Sub-Cultural Adults," Workshop for the Blind and Disabled, Birmingham, Ala., Herbert W. Eber, Ph. D., project director.

The purpose of this study is to develop a personality test for the mentally retarded and illiterate or poorly educated individuals for use by vocational counselors and other rehabilitation personnel. The test will provide a valuable tool in developing personality information covering such areas as impulsiveness, friendliness, self-control, enthusiasm, conscientiousness, and anxiety, which will be useful in predicting vocational success.

2. "An Evaluative Study and Demonstration Work Experience Program for the Mentally Retarded During Their Last Year in Public School," Jewish Vocational Service, Milwaukee, Wis., Herman P. Epstein, project director.

The project is demonstrating and evaluating a cooperative program of classroom work and concurrent work experience in the vocational rehabilitation of mentally retarded adolescents during their last year of high school. In testing different methods and patterns of services required to prepare the mentally retarded for the world of work, this sponsor has secured the cooperation of six school systems in the Milwaukee area. The State rehabilitation agency as well as other public and private groups are actively participating in the project. This project has in addition to its primary mission been used as a model in demonstrating to groups from neighboring States ways in which cooperative community effort can be established and function productively.

3. "Demonstration of an Independent Living Rehabilitation Service Program for Seriously Handicapped Mentally Retarded Adults," Aid Retarded Children, Inc., San Francisco, Calif., Elias Katz, Ph. D., project director.

This project will demonstrate ways in which institutional care of selected mentally retarded adults can be terminated, methods of reducing the need for attendant care in the home, and improved techniques for the vocational rehabilitation of the mentally retarded. Specifically, the project will test and improve a program of services necessary to achieve greater social competence in independent living.

DEAFNESS

1. "A Personal Adjustment and Prevocational Center for Nonfeasible Deaf Adults," Michigan Association for Better Hearing, Lansing, Mich., Stahl Butler, project director.

Each State has an unknown number of deaf adults who for various reasons have spent little time in school, lack adequate communicative skills, exhibit poor employment records, and have, therefore, little to offer an employer. State rehabilitation agencies have not been too successful with these individuals. Accordingly, through this project specialized personal, vocational, and communication services and facilities will be established and evaluated with the objective of developing a successful prototype program which can be duplicated in other parts of the country.

2. "The Establishment of Minimum Hearing and Speech Services Screening Units," American Hearing Society, Washington, D.C., Crayton Walker, project director.

The sponsor will establish two model satellite hearing centers, affiliated with large, comprehensive hearing and speech centers, which will provide minimum hearing rehabilitation services for a majority of persons with hearing loss. Services will include hearing testing, speech training and conversation, lipreading, and auditory training. The more difficult cases which present problems beyond the resources of the satellite centers will be referred to the larger affiliate facilities.

3. "The Identification and Vocational Training of the Institutionalized Deaf Patient," Michigan Department of Mental Health, Lansing, Mich., V. A. Stehman, M.D., and Anthony M. Abruzzo, M.D., project directors.

This project is partially based on a finding of the OVR project sponsored by the Research Foundation for Mental Hygiene, Inc., New York City, which disclosed that there are sizable numbers of deaf people in schools for the mentally retarded. Some of these individuals are both deaf and mentally retarded while others might be only deaf and have been misdiagnosed as mentally deficient. All State institutions will be surveyed in order to identify the retarded with hearing loss. Those who have been misdiagnosed will be moved, and a special vocational program will be established for those who are both hearing impaired and mentally retarded.

BLINDNESS

1. "The Adjustment of Blind Persons," University of Pittsburgh, Pittsburgh, Pa., Irving F. Lukoff, project director.

This study is concerned with the evaluation and analysis of selected data available from a recent project in order to identify factors which affect satisfactory adjustment of blind persons. The results of this project will provide useful information to individuals or agencies working with blind persons, as well as in the development and amplification of new techniques or patterns of services in order to better meet the vocational rehabilitation needs of the blind.

2. "Manual Arts for the Blind," University of Illinois, Urbana, Ill., Robert A. Tinkham, project director.

The project will collect, evaluate, develop, organize, and disseminate information relative to operational methods and training techniques for the blind in several shop areas. This will include such jobs as woodwork, metalwork, electricity, and home mechanics. Efforts also will be made to refine and develop blind-adapted shop equipment not available at present but applicable to these areas.

3. "Modification of the Raven Progressive Matrices for Presentation to the Blind," Texas Technological College, Lubbock, Tex., Robert P. Anderson, Ph. D., project director.

The objective is to develop a factual adaptation of a standardized measure of intelligence. Upon successful completion such a testing device will be used by counselors and others working with the blind to supplement appraisals of the blinded person's intelligence by means of tests dependent on verbalization, thus providing a better estimate of the individual's capacity.

THE OLDER DISABLED

1. "Vocational Problems of the Disabled Individual 60 Years of Age and Older," Federation Employment & Guidance Service, New York, N.Y., Roland Baxt, project director.

This recently approved project will demonstrate how all available community resources can be coordinated into an integrated program serving older disabled persons ranging in vocational readiness from potential competitive employment to those confined to institutions. Services will be centrally based for those who can use public transportation, locally based in a neighborhood for those who cannot, home based for the disabled homebound, and institution based for those residing in institutions. The project will provide a continuum of vocational diagnostic, evaluative, and training services aimed toward and including competitive or sheltered employment.

2. "Occupational Therapy Assistants in Geriatrics and Chronic Disease," Montgomery County Health Department, Rockville, Md., Mr. William J. Peeples, M.D., project director.

In order to meet in part the acute therapist shortage in nursing homes caring for the aged and chronically ill, the sponsor of this project enlisted the aid of local voluntary health agencies as well as other public agencies to establish this training program. The project has provided occupational therapist assistant training for 25 women who upon completion of 3 months' classroom work and supervised practice are placed in nursing homes where they initiate and carry out occupational therapy activities under the part-time supervision of a visiting registered therapist.

3. "Psychosocial Factors in Domiciliary Rehabilitation of Chronic Disability," Tufts University, Medford, Mass., Count D. Gibson, M.D., project director.

A research study of factors which influence the rehabilitation of chronically ill homebound persons. A visiting rehabilitation team under the direction of a physician will plan and supervise extended rehabilitation treatment in the home for persons who, for example, no longer require acute care but appear to have rehabilitation potential. Particular attention will be given social and psychological factors observed in interpersonal relationships among the team and between the team and family and team and patient, as they affect success or failure in the rehabilitation process.

ORTHOPEDIC DISABILITY

1. "A Hydraulically Operated Elbow Orthosis (brace)," Eugene duPont Memorial Hospital and Rehabilitation Center, Wilmington, Del., Arthur J. Heather, M.D., project director.

The purpose of this project is to investigate and develop a hydraulically operated elbow mechanism that can be attached to an arm brace for use in restoring function to the paralyzed elbow for persons with flail arms. Recently this sponsor successfully developed a hydraulic mechanical hand which restores good function, a three-point grasp, to paralyzed persons with flail hands.

2. "Independent Living for Orthopedically Handicapped Young Adults," New York Service for Orthopedically Handicapped, New York, N.Y., Melvin Herman, project director.

This project will test the feasibility of foster homes and housekeeping apartments as an alternative to unnecessary inpatient care for persons with severe orthopedic handicaps. It will also study foster family acceptance of severely disabled persons and patient characteristics which aid to their adjustment to independent living.

3. "Clinical Evaluation of Experimental Orthotic Devices and Procedures," University of California, Berkeley, Calif., Verne T. Inman, M.D., project director.

This study will use and expand previously developed information, particularly that derived from research in amputation and artificial limbs, as well as develop new methods and techniques for use in determining the validity of principles of prescription for new orthopedic devices. In addition, new methods of brace alignment and fitting will be studied, and new orthotic devices will be evaluated.

LACK OF TRAINED PERSONNEL

MR. FOGARTY. Is it not a fact that the lack of trained personnel is one of the real big drawbacks in your program?

MISS SWITZER. Yes; lack of trained personnel in almost every field. There are a number of different angles to this. First of all, the development of facilities and services in the medical area is directly

related to the ability to find people who are interested in residences and who will continue their work to become specialists in this area. This is one of the great assets of these two research and training centers.

We do give high priority to the support of our medical residents. We have never refused to support a resident that had been accepted. We would transfer the money from some other source if we had to, I guess, to support them. But we keep always enough reserves so that we can support any physician that is accepted by an approved program.

Mr. FOGARTY. Supply for the record some facts and figures to support the need for additional trained personnel and tell us how soon these needs are going to be met at the rate we are training people now.

Miss SWITZER. Long-range training needs will be in the 1962-70 projection. One of the very dire needs in our training field is to be able to be in an even competitive situation with the Public Health Service. We are paying tuition now in rehabilitation counseling and we need to pay tuition in addition to the stipend we pay in all our fields. We pay it in a sense in medicine. We had to go into the undergraduate physical therapy scholarship programs last year because the enrollment in those schools is dropping below their capacity. Physical therapists are the meat and drink of a rehab program. They and the counselors are indispensable parts of the team.

Where some of our best programs are—for instance, in speech and hearing—they are in high-tuition schools. Sometimes a person has to choose a school that is less suited to what he wants to do because the tuition is lower. We did try to get tuition from the Bureau of the Budget. The Department's request from the Bureau of the Budget for the training program included, if I am not mistaken, tuition. That was the main element of the increase we asked the Bureau of the Budget for and did not get.

(The requested statement on training needs follows:)

TRAINING

The need for additional trained rehabilitation personnel is, of course, directly related to the expansion of facilities and services of the State and private rehabilitation agencies. The continuing expansion of these facilities and services during the next decade is essential and inevitable as efforts increase to serve more and more of our disabled population and to improve services to the more severely disabled. Shortages of trained personnel to staff the facilities and to provide the services have hampered the rehabilitation program for many years. Our relatively young training program has done much to increase the supply of trained manpower, but has been unable to keep pace with the increasing needs. The current needs and our progress toward meeting them through 1963 are shown below.

Rehabilitation manpower needs in future years, however, are difficult to ascertain. Much depends on the outcome of current endeavors to authorize rehabilitation services, with or without a vocational objective, for special categories of our population such as OASI beneficiaries, the aged, and disabled peacetime ex-servicemen. Also, new legislation in the educational field could have significant effects in our training program as now constituted and on the manpower needs in the many rehabilitation disciplines.

CURRENT TRAINING NEEDS

Rehabilitation counseling

Present estimates are that about 600 graduates of rehabilitation counselor training programs will be needed each year to meet the needs of public and voluntary agencies for replacements or as additions to their expanding staff. In

1961 about 2,100 counselors were employed in State vocational rehabilitation agencies; in 1962 about 2,350 are anticipated; and in 1963 about 2,540. The intensity of community concern for rehabilitation of both physically and mentally handicapped individuals points to a rapid expansion of rehabilitation services and a continued demand for professionally trained manpower.

The 1963 estimate provides for 39 teaching grants and 797 traineeships.

Medicine

In spite of significant advances, personnel shortages are still great. Although rehabilitation is a concern of many medical specialties, it is a primary responsibility of physiatrists. The present number of qualified specialists in physical medicine and rehabilitation is approximately 400. The needs are for approximately 3,000. With the establishment of new programs in physical medicine and rehabilitation in more medical schools, general hospitals, rehabilitation centers, and other medical teaching institutions, it is of urgent concern to meet the needs of these institutions in the care of the disabled.

Still another need that has become apparent is for medical educators equipped to give leadership in instruction in physical medicine and rehabilitation. To meet this need for broadly trained academicians, an academic careers program has been initiated. Grants for this purpose offer opportunities to promising physicians for advanced study in fields that will enhance their qualifications for academic posts.

It is anticipated that all schools of medicine will require financial assistance for incorporating rehabilitation into the undergraduate curriculum, unless Federal funds become available for across-the-board support of medical education.

The 1963 estimate provides for 70 teaching grants in 65 schools and 411 traineeships.

Prosthetics and orthotics

Trained personnel in prosthetics and orthotics are urgently needed to staff clinic teams and rehabilitation centers throughout the country. A survey conducted by the American Orthotics and Prosthetics Association in 1960 revealed that less than one-fourth of the prosthetists and orthotists had attended courses in fabrication and fitting of artificial limbs. A still smaller proportion had attended the courses on functional bracing and other assistive devices. There is also a great need to provide training to residents in orthopedic surgery and physical medicine during their residency training. Incorporation of curriculum content into training programs in occupational therapy and physical therapy, begun in 1961 with a pilot project that reached faculty members in 20 schools, needs to be extended to the remaining 60 schools in 1962-63.

Increased emphasis in the prosthetics research programs on fluid-controlled mechanisms, requiring fitting, training and management changes for the prosthetist, physicians, and therapist, will demand the development of new courses and require the return of previously trained personnel to learn these later techniques.

The 1963 estimate provides for 6 teaching grants and 18 traineeships.

Speech pathology and audiology

Progress is being made in the effort to alleviate the shortages of qualified personnel to diagnose and treat individuals with communications disorders but the shortages in this area are still acute.

The survey of educational programs, done in 1961 by the American Speech & Hearing Association in cooperation with the Office of Education, the Children's Bureau, and the Office of Vocational Rehabilitation, now constitutes a firm base for planning for future support of training in this field. The study indicated that 130 colleges and universities offered graduate preparation during the 1959-60 academic year; 1,402 students were enrolled in master's degree programs, and 321 in doctoral programs. The number estimated to complete work for the master's degree in 1961 was 661, and only 116 completing doctoral study.

To provide therapy for the 8 to 9 million individuals with impaired speech or hearing, it is estimated that about 20,000 clinicians are needed, more than twice the number currently employed. In order to reach and retain this number, 1,500 students should complete graduate study each year. Since only 777 students completed graduate study in 1961, only about half the numerical need is being met. The Office of Vocational Rehabilitation provided 164 traineeships in 1961, and 275 will be supported in 1962.

The 1963 estimate provides for 57 teaching grants and 415 traineeships.

Occupational therapy

The total enrolment of the 32 approved schools of occupational therapy is slightly over 2,000 and the number graduating each year is about 500. There are about 6,000 occupational therapists now in practice; the estimated need is for about 16,000.

Grants to schools of occupational therapy have been directed toward increasing the teaching force so that more students could be admitted, increasing the rehabilitation aspects of the curriculum and improving the integration of classroom and clinical courses. Many of the schools are operating at far below their full student capacity in spite of vigorous recruitment efforts. The greatest single deterrent in student recruitment is the paucity of financial assistance for the 4-year training course. Traineeships are especially needed, both for the undergraduate years and the postbaccalaureate year for college graduates who can complete the certificate course in 1 academic year plus the clinical affiliation period.

The 1963 estimate provides for 28 teaching grants and 350 traineeships.

Physical therapy

About 8,400 physical therapists are currently in practice in the United States. An estimated 12,000 are needed for replacements or expanding programs. Between 1954 and 1960 only 4,741 students have been graduated.

Because of high tuition costs and relatively low level of salaries in the field, the schools of physical therapy are operating at about 75 percent of student capacity, according to the American Physical Therapy Association. This situation is a matter of grave concern to the orderly development of the total rehabilitation program, for physical therapy is an essential element in the treatment of nearly all categories of disability. Many hospital systems are without physical therapy departments, and established departments have many vacancies. Recruitment of students is the most vital need for this field. Additional graduate and undergraduate traineeships, must be added to attract students to this field that has such a primary role in the physical restoration of disabled people.

To develop the manpower potential, there is an urgent need for the continued expansion of existing school programs by the addition of qualified instructional staff and by the expansion of supervised clinical facilities.

The 1963 estimate provides for 30 teaching grants and 285 traineeships.

Psychology

Psychologists capable of constructing and adapting psychological tests for the severely disabled (especially the blind, deaf, mentally retarded, and cerebral palsied) are in extremely short supply and those who are interested in a career in serving the physically disabled are few. Teaching grants which enable interested departments of psychology to introduce content about physical disability and rehabilitation throughout the basic curriculum can do a great deal to stimulate able students to specialize in work with handicapped persons.

The 1963 estimate provides for 12 teaching grants and 48 traineeships.

Other fields

Other professional fields of vital importance to the rehabilitation of disabled persons in which training grants are made are dentistry, nursing, social work, specialized training programs for rehabilitation of the deaf, rehabilitation of the blind, and pilot programs of interdisciplinary training. In each of these fields serious shortages of personnel exist which are hampering the rate of growth of rehabilitation services. Teaching grants are made in these fields to insure that the students will receive some exposure to problems of disability and the methods used to help disabled persons attain their vocational potential. Traineeships are provided to encourage graduate students to secure specialized clinical practice in rehabilitation settings.

The 1963 estimate provides for 59 teaching grants and 487 traineeships. Increases are requested for three new teaching grants and 60 traineeships in the field of nursing; one new teaching grant and two traineeships in the field of dentistry; one new grant and 20 traineeships in rehabilitation of the deaf; four new teaching grants and 60 traineeships in social work; and 40 traineeships in rehabilitation center administration and interdisciplinary training.

Short-term training

Short-term courses are educational experiences designed to orient professional personnel to rehabilitation philosophy and practice, to teach new concepts and methods, or to provide a refresher for those returning to practice.

Since 1955 about 15,000 individuals have attended OVR-supported training courses. Many of them have contributed directly to the development of demonstration projects or to extension of State agency programs. For example, trainees in courses of rehabilitation of the mentally retarded have gone into leadership posts in community programs in that field; trainees in courses on rehabilitation of ex-mental hospital patients have been influential in the establishment of halfway houses and other methods of bridging the gap between the mental hospital and the community. Courses in treatment of aphasia, stuttering, and hearing loss have raised the level of skills of speech pathologists and audiologists; and courses in organic voice problems and esophageal speech have helped physicians in their efforts to rehabilitate laryngectomized patients and others with speech problems.

The need for continuing professional education throughout every professional person's working life is recognized by every professional field. In rehabilitation, which is characterized by rapid advances in medicine and changes in related rehabilitation techniques, the need for advanced or refresher courses is particularly great. As more workers in rehabilitation acquire basic professional training, the greater will be the demands for further training.

The 1963 estimate provides for 135 training courses and 4,670 traineeships. Some of the major areas in which short-term courses will be supported in 1963 are:

1. *Medicine*.—Courses of 3 to 5 days will be held for physicians in the principles and methods of rehabilitation and in the rehabilitation and care of the chronically ill. Emphasis will also be placed on the training of State agency medical consultants in the latest rehabilitation procedures as well as in program administration.

In 1963, it is expected that eight such courses will be held in comparison with two in 1962, and four in 1961.

2. *Speech pathology and audiology*.—Short-term training grants in speech pathology and audiology are needed to increase the skills of individuals currently working in this field. There have been important recent advances in this field developed through our research program and these need to be integrated into clinical practice. This would include recent developments in audiological diagnosis, examining for aphasia, and the teaching of esophageal speech.

It is planned to increase the number of such courses in 1963 to 12, as compared to 3 in 1962, to reach some 250 speech pathologists and audiologists now in practice.

3. *Selective placement*.—A beginning was made in 1962 in developing short courses in placement techniques with the handicapped. This is the "payoff" of the rehabilitation process, the placement of a disabled client in a suitable job. Six such programs will be conducted in 1963 for some 100 counselors and supervisors.

4. *Psychology*.—Four institutes and workshops will be conducted for post-doctoral psychologists on the psychological assessment of the severely disabled, including the blind, the deaf, the cerebral palsied and the multiple-handicapped. These courses are designed to arouse interest in a larger number of psychologists in practice in the problems of those with severely handicapping conditions, to disseminate information about new methods of evaluation and to encourage meaningful research.

5. *Dentistry*.—Courses will be held for dentists in public health and institutional programs and in private practice on the dental management of patients with chronic disease associated with musculo-skeletal disorders, cerebral palsied, and cleft palate. These courses are badly needed because of the greater increase in the degenerative diseases. Dentists need supplemental training in the care of the aging and the chronically ill.

In 1963, it is expected that six courses will be held, two more than in 1962. Efforts also will be made to interest faculty members of dental schools in adding courses on the dental management of the chronically ill to the dental school curriculum.

6. *Prosthetics and orthotics*.—Dealing with the latest developments in artificial limbs, braces, and other assistive devices, 85 short-term courses were presented in 1961 at four universities for rehabilitation counseling, prosthetists, orthotists, physical and occupational therapists, and physicians. These courses, which varied in length from 3 days to 6 weeks, enrolled nearly 4,800 personnel closely associated with rehabilitation.

Pilot courses in lower-extremity orthotics were initiated during 1962 at two of the universities, and the special course on the management of the juvenile amputee and regional meetings of the American Orthotics and Prosthetics Association were repeated. These will be continued in 1963. About 89 courses are expected to be held.

Research fellowships

Fellowships are awarded for research in rehabilitation for the purpose of producing new knowledge or to assist professional personnel to prepare for careers in rehabilitation research.

Since 1957, the year the first research fellowships were awarded, 56 individuals have received grants. The fields represented have included medicine, psychology, speech pathology, audiology, and a number of others. The research subjects have ranged widely—rehabilitation of the mentally ill, study of the usefulness of projective tests of personality with the adult deaf, language rehabilitation in aphasics, concept formation as influenced by sensory deficit in the blind, and the design of rehabilitation centers.

The shortage of research manpower in the field of rehabilitation is critical; additional people equipped for independent research are urgently needed. The research fellowship program at the predoctoral and postdoctoral levels supplements the support of traineeships at the postmaster's level in all professional fields for the specific purpose of developing research workers.

The 1963 estimate provides for 39 research fellowships.

Summary of training program

[Dollars amounts in thousands]

Type of grant and field	1961 actual		1962 estimate		1963 base		1963 new		1963 total		Increase, 1963 over 1962	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Long-term training:												
Rehabilitation counseling:												
Teaching grants.....	36	\$546	36	\$643	36	\$674	3	\$126	39	\$800	3	\$157
Traineeships.....	607	989	648	1,178	648	1,178	151	275	799	1,453	151	275
Tuition.....				380		410		84		494		114
Total.....		1,535		2,201		2,292		485		2,747		546
Medicine:												
Teaching grants.....	40	812	58	1,335	58	1,335	12	145	70	1,480	12	145
Traineeships.....	324	871	333	997	333	1,000	78	470	411	1,470	78	473
Total.....		1,683		2,332		2,335		615		2,950		618
Prosthetics and orthotics:												
Teaching grants.....	5	400	6	451	6	500		22	6	522		71
Traineeships.....	6	10	8	25	8	25	10	18	18	43	10	18
Total.....		410		476		525		40		565		89
Speech and hearing:												
Teaching grants.....	30	279	52	486	52	520	5	75	57	595	5	109
Traineeships.....	164	392	275	664	275	664	140	350	415	1,014	140	350
Total.....		671		1,150		1,184		425		1,609		459
Occupational therapy:												
Teaching grants.....	17	117	23	145	23	160	5	35	28	195	5	50
Traineeships.....	223	163	225	131	225	131	125	71	350	202	125	71
Total.....		280		276		291		106		397		121
Physical therapy:												
Teaching grants.....	22	161	24	158	24	180	6	60	30	240	6	82
Traineeships.....	18	56	135	162	135	162	150	133	285	295	150	133
Total.....		217		320		342		193		535		215

Psychology:	5	66	6	66	71	6	90	12	161	6	95
Teaching grants.....	25	78	19	73	144	29	115	48	188	29	115
Traineeships.....							205		349		210
Total.....		144		139							
Other fields:											
Teaching grants.....	59	684	50	620	639	9	143	59	782	9	162
Traineeships.....	215	458	295	671	671	192	404	487	1,075	192	404
Total.....		1,142		1,291	1,310		547		1,857		566
State inservice training.....		191		282	282		9		291		9
Summary, long-term training:											
Teaching grants.....	214	3,255	255	4,186	4,361	46	705	301	5,065	46	880
Traineeships.....	1,582	3,017	1,938	3,901	3,904	875	1,836	2,813	5,740	875	1,839
Tuition.....				380	410		84		494		114
Total.....		6,273		8,467	8,675		2,625		11,300		2,833
Short-term training:											
Instructional costs.....	83	312	100	345	345	35	125	135	470	35	125
Travel.....		34		35	35		25		60		25
Traineeships.....	3,475	520	2,870	514	514	1,800	200	4,670	714	1,800	200
Total.....		866		894	894		350		1,244		350
Research fellowships.....	35	104	35	139	139	4	17	39	156	4	17
Summary:											
Teaching grants.....		3,402		4,566	4,741		855		5,596		1,030
Traineeships.....		3,537		4,795	4,828		2,120		6,948		2,153
Research fellowships.....		104		139	139		17		156		17
Total, program costs.....		7,243		9,500	9,708		2,992		12,700		3,200

SPECIAL FOREIGN CURRENCY PROGRAM

Mr. FOGARTY. In your special foreign currency program, the appropriation for 1962 is \$1,372,000, the request for 1963 is \$2 million. Taking estimated carryovers into consideration, obligations for 1962 are estimated at \$1,830,000, and to increase by \$42,000 to \$1,872,000 for 1963. There is a standard change in language for all these foreign currency programs. What is that, Mr. Kelly.

Mr. KELLY. Let me put a statement in the record on it.

Mr. FOGARTY. All right.

(The information follows:)

EXPLANATION OF NEW LANGUAGE PROPOSED FOR "RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)", OFFICE OF VOCATIONAL REHABILITATION

The new language is generally uniform for all special foreign currency programs of the Federal Government, including the four special foreign currency programs of the Department of Health, Education, and Welfare contained in the President's 1963 budget.

The new language was suggested in Bureau of the Budget Bulletin No. 62-3, dated September 19, 1961, and reads as follows:

"For purchase of foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses to the (name of agency or bureau), as authorized by law, \$, to remain available until expended: Provided, That this appropriation shall be available, in addition to other appropriations to such agency, for the purchase of the foregoing currencies."

The above appropriation text contemplates that the foreign currencies may be used to (a) conduct any program under section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended, which the agency concerned may be authorized to undertake, and (b) meet the agency's needs in carrying out such other activities as may be authorized by other law.

The appropriation language enacted for fiscal year 1962 reads as follows:

"For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, and for carrying out the functions of the Office of Vocational Rehabilitation under the International Health Research Act of 1960 (74 Stat. 364), to remain available until expended, \$1,372,000, which shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States."

The new language is designed to amplify the existing language by providing that any other activity authorized by law can be conducted with excess foreign currencies available to the United States. For example, where the 1962 language specified use of excess foreign currencies for carrying out the purposes of Public Law 480 (the Agricultural Trade and Development Assistance Act) and Public Law 86-610 (the International Health Research Act of 1960), the proposed language makes use of the phrase, "as authorized by law," to accomplish the same end.

Mr. FOGARTY. Will you supply for the record what countries you plan to have these programs in in 1963 and if there are any changes in countries, why, the projects you have in operation now, and what additional projects are planned.

Miss SWITZER. Yes.

(The information follows:)

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

Significant progress has been made since initiation of the international rehabilitation research program late in 1961 under Public Law 480. Grants totaling \$400,000 were made for 13 projects the first year—6 in Israel, 4 in India, and 3 in Brazil—and 37 additional projects are programed in 1962—2 in Indonesia, 2 in Burma, 2 in Egypt, 7 in Israel, 6 in Pakistan, 4 in Poland, 4 in Yugoslavia, and 10 in India. In 1963, 25 more cooperative research projects will be developed in the aforementioned countries and in Syria which will come under the program for the first time. The number and the nature of research projects by country in 1963 is shown below.

In September 1961, the Office of Vocational Rehabilitation began to implement on a small scale the additional international research authorities provided by Public Law 86-610, the International Health Research Act. Under section 4, the Office of Vocational Rehabilitation is authorized, among other things, to arrange for the interchange between the United States and participating foreign countries of scientists and experts engaged in rehabilitation research. Pursuant to this authority, a group of 12 specialists in plastic surgery has been organized to go to the medical college and hospital in Vellore, India, in rotation, to advise and help build a broad program for the rehabilitation of lepers. The work of these specialists ties in directly with a rehabilitation research project previously approved under Public Law 480 by the Office of Vocational Rehabilitation. Three of these surgeons have already gone to India on this program.

In 1963, there will be further implementation of this interchange program involving all nine of the countries in which cooperative research projects are in operation.

Summary of projects, 1961-63

Country	Number of projects	Nature of projects
Brazil ¹	3	Experimentation with cerebral palsied; research in short-term training of orthotist; rehabilitation of chronically ill.
Burma.....	4	Establishment of rehabilitation center; experiments in rehabilitation of chronically ill; establishment of halfway house for rehabilitation of the emotionally ill.
Egypt.....	5	Research on rehabilitation of youths with heart disorders; rehabilitation of emotionally ill; establishment of a rehabilitation center.
India.....	20	Research into rehabilitation of victims of leprosy; experiments in rehabilitation of blind as farmers; establishment of rehabilitation centers; introduction of rehabilitation concepts in medical-school curriculum; establishment of workshops; research in rehabilitation of people disabled by burns.
Indonesia.....	3	Research into use of inexpensive local materials in manufacture of prosthetic devices; rehabilitation of mentally retarded.
Israel.....	20	Investigation of influence of body activity on rehabilitation of coronary patients; rehabilitation of the blind as cottonmill workers; agricultural training of the disabled; inquiry into causes and costs of nonrehabilitation of patients with heart disease; electrodiagnostic studies in Hansen's disease.
Pakistan.....	10	Establishment of experimental workshop for the disabled; experimentation with mobile rehabilitation units; energy studies in selected disabilities; rehabilitation of the blind.
Poland.....	5	Experiments in rehabilitation of young arthritics; research in rehabilitation of youths with heart disease.
Syria.....	1	Agricultural training and employment of the blind.
Yugoslavia.....	4	Rehabilitation of adult cerebral-palsied patients; finding solutions to problems of design, manufacture of components, and the fitting and alinement of prosthetic and orthotic devices.
Total.....	75	

¹ No funds available for Brazil in fiscal year 1963.

RESERVES TO MEET FLUCTUATIONS IN THE EXCHANGE RATE

Mr. FOGARTY. I see you are planning a reserve of \$72,000 to meet possible unfavorable changes in currency rates. Why do you need this?

Mr. LARocca. We have to maintain a reserve because of changes in the value of the foreign currencies to insure covering of project costs.

Mr. KELLY. We have run into a problem on several projects since we started the foreign currency program where we got underway with a project that had a given dollar value, and then because of a currency fluctuation we have had to put more into the project in order to be able to maintain it at that level. We are trying to prepare against that so we do not have to cut back the size of a project because of a fluctuation in the currency level.

RESERVE FOR SALARIES AND EXPENSES, 1962

Mr. FOGARTY. On salaries and expenses you received quite a cut, \$40,000, from your 1962 appropriation.

Miss SWITZER. We thought it was.

Mr. FOGARTY. Did you have to separate any people?

Miss SWITZER. No; we did have to separate people because it came soon enough so that all we did was not fill vacancies. We had some people we would have liked to have taken on but could not.

Mr. FOGARTY. It almost came before the bill was signed.

Miss SWITZER. Mr. Kelly can perhaps give you some background on the philosophy of the Secretary in making these cuts in salaries and expenses. I think he tried to do an even job throughout the Department, as I understand it.

Mr. KELLY. 1962 reserves, yes. It was an apportionment against all increases except those special categories.

REDUCTION IN 1963 REQUEST FOR SALARIES AND EXPENSES

Mr. FOGARTY. Your 1963 request was cut back a couple hundred thousand dollars. Then the Bureau of the Budget cut you some more. You have a cut of \$587,000 in salaries and expenses from what you asked the Department for.

Miss SWITZER. We have a struggle to keep our staff. I feel sometimes as though we expect the impossible from our people and never have been able to get an adequate staff to do our job.

Mr. FOGARTY. Will you put in the record the number of positions you asked for originally and what they were for and how it is going to affect your program if you do not get them. Also a breakdown of the 14 additional positions you have been allowed, with a job description and what they are going to be used for.

Mr. KELLY. 16.

(The information follows:)

The 1963 Office of Vocational Rehabilitation estimate to the Department requested 104 new positions, including 20 to initiate a small direct research program. The budget request provides for 16 new positions, a decrease of 88 positions from the original request. The distribution, by activity, of the positions eliminated is shown in the following table:

Office of Vocational Rehabilitation, new positions requested, 1963

Activity	Request to Department	1963 budget	Decrease
State program operations.....	26	3	23
Research and training.....	33	4	29
Direct research ¹	20	5	15
Executive direction and program coordination.....	16	2	14
Management services.....	9	2	7
Total.....	104	16	88

¹ Includes 20 direct research positions originally requested under the "Research and training" appropriation.

STATE PROGRAM OPERATIONS

Twenty-three of the 88 positions not allowed were in the area of State program operations. Eleven of the positions disallowed were for the regional offices to meet the increasing requests from the State agencies for technical assistance and consultation arising from their expanding programs. For central office staff, 12 positions were disallowed. Eight of them were requested to provide guidance to the States and to the regional offices in strengthening and expanding rehabilitation service programs, especially in providing services to the more severely disabled; to strengthen services to the blind, with emphasis upon workshops and home industry programs to meet the needs of the home-bound and severely blind; to assist the States in the administration of the OASI disability determination program and to meet the increasing workloads arising in the review and analysis of the State plans that are approved in this office. The other four central office positions disallowed were requested to carry out the OCDM functions of the Office of Vocational Rehabilitation.

RESEARCH AND TRAINING

A reduction of 44 positions was made in the research and training program, including 15 positions for the direct research program to be initiated in 1963. Eighteen of the other 29 positions were requested to administer the expanding research and training programs, including the international research program. As these programs increase in scope and complexity, the need arises for more personnel to provide advice and consultation, review project proposals, supervise the programs, and evaluate the results. More assistance is needed in the processing of grants, the number of which are steadily increasing each year; in analyzing fiscal records; and in providing clerical and typing assistance.

The other 11 positions disallowed are needed in specialized areas such as mental health, mental retardation, speech disorders, and rehabilitation facilities to provide technical assistance, within their specialties, to rehabilitation officials in developing service, research or training programs.

The 15 direct research positions not allowed were requested for a program of studies and investigations to be carried out directly by the Office of Vocational Rehabilitation. These studies are needed to obtain maximum benefits from the research and demonstration projects, particularly in the areas of mental retardation, mental illness and rehabilitation of the more severely disabled, and from the new program of rehabilitation research and training centers.

EXECUTIVE DIRECTION AND PROGRAM COORDINATION, AND MANAGEMENT SERVICES

Eleven positions were disallowed in the health and medical area. These are required to provide the guidance and stimulation necessary for the orderly growth of the grant program. Medical consultation is needed in extending services to the severely disabled, in the development and utilization of rehabilitation facilities, and in developing research projects and the training program.

The remaining 10 positions not allowed were requested to accommodate increased administrative workload in the staff functions of executive direction and in supporting management services.

Listed below is a breakdown of the new positions requested for 1963 with a brief description of their functions.

An increase of 16 new positions is requested for 1963—11 to provide technical and administrative assistance to the expanding grant programs, and 5 to initiate a small program of studies and investigations to be carried out directly by the Office of Vocational Rehabilitation in key rehabilitation areas.

1. Technical and administrative support of expanded grant programs

An increase of 11 positions is requested to handle the large workload increases (technical, consultative, and administrative) associated with the expansion proposed in 1963 for the Federal-State rehabilitation service program and for the supporting research and training programs. These expanded programs cannot be administered effectively without staff increases in the following program areas:

State program operations.—An increase of three professional positions is requested for 1963—two positions to provide technical and consultative assistance to the States in strengthening and expanding their rehabilitation service programs, especially in providing services to the more severely disabled, and one position to strengthen services to the blind, with emphasis upon workshops and home industry programs to meet the needs of the homebound and severely disabled blind.

Research and training.—An increase of four additional positions is needed for the analysis of research project findings; for the followup of new ideas and opportunities for fruitful future projects; and to meet the larger workload arising from the increased number of applications for grants and the growing volume of requests for technical assistance by applicants and grantees.

Executive direction and program coordination.—An increase of two new positions is requested—one position in the health and medical area to increase medical consultation and assistance in the research and training areas and one position in the public information area to assist State agencies in planning and conducting an effective public education program covering all facets of the VR program including the potentials of handicapped individuals and the value of rehabilitation.

Management services.—An increase of two additional positions is requested in the fiscal accounting and statistics areas to strengthen existing services and to handle increased workload related to the proposed expansions in the operational programs.

2. Direct research program

Five positions are requested for the initiation of a program of direct research in key rehabilitation fields. Of the staff of 5 proposed for 1963, 2 investigators will be assigned to the recently established rehabilitation research and training centers to participate in the studies and investigations being conducted at the centers; and 3 investigators will work with the research staffs of the 11 grantee institutions participating in the large-scale research and demonstration program concerned with the rehabilitation of the severely disabled.

Mr. FOGARTY. Mr. Denton.

SCHOOL FOR RETARDED CHILDREN IN INDIANA

Mr. DENTON. Miss Switzer, I want to thank you and your office for trying to help me establish a school for retarded children down in Evansville.

Miss SWITZER. We are still working along there. I asked them to bring me up to date on it. Mr. Redkey is going to keep on top of it and do anything he can on it.

Mr. DENTON. They have the land, and it is a live organization. If they had a building, they could double it with your assistance, but to start from scratch, there is nothing they can do.

Is there anything we could do here or would the law have to be changed?

Miss SWITZER. I do not think we can help them on new construction, but I have a memorandum from Mr. Redkey here. He felt maybe there was some way they could get Hill-Burton money. Was that pursued?

Mr. DENTON. We tried that, but it is not a hospital. The Hill-Burton people were down at the meeting, but they did not think they could help out.

Miss SWITZER. Maybe they have been connected with hospitals or medical institutions, but we have had some schools for the retarded that have come under Hill-Burton, but not many.

Mr. DENTON. They thought they might have to build a dormitory there for some of the children to live in. The Hill-Burton people thought they could not help out on that. It looked like a fine project but there was a hiatus where nobody took care of it.

Miss SWITZER. Mr. Redkey is very conscious of this and is very anxious to do everything he can to help. I asked him to give me an up-to-date story of what was going on. I have a memorandum that I will leave with you. It tells a little about what he has done, what he has suggested, and who he thinks we should talk to further.

SCHOOL FOR CHILDREN WITH CEREBRAL PALSY

Mr. DENTON. Do you know any school that a child with cerebral palsy can go to?

Miss SWITZER. Yes. Where would the child be—Indiana?

Mr. DENTON. This child was in Indiana. I think the family finally located a place in Florida.

Miss SWITZER. How old is the child?

Mr. DENTON. I do not remember. This was 2 or 3 years ago. It was a fairly small child at that time.

Miss SWITZER. There are a number of schools that do a very fine job with cerebral palsied children, but I would like to get the age of the child and then I can send you something.

Mr. DENTON. I can get it. It happened some time ago. I think we got the child in a school in Florida. We had an awful time locating a school.

Miss SWITZER. It is difficult. If you can give me an idea of the child's age and what part of the country, I can give you some places.

Mr. DENTON. I think this has been taken care of. If it comes up again I shall contact you.

INVESTIGATION OF OASI DISABILITIES

Mr. Kelly, where is the money for investigating old age and survivors disability reflected in this budget?

Mr. KELLY. Under the Bureau of Old-Age and Survivors Insurance under contracts with States and not included under the Office of Vocational Rehabilitation. It is under the tab "Old-age and survivors insurance."

Mr. DENTON. I see it now. It is on page 259. It is down in the middle of the page, item 25, "Advances to States." The estimated cost in 1963 is \$22,407,000.

That comes out of the trust fund?

Mr. KELLY. That is right.

Miss SWITZER. There are some suggestions on this sheet I am giving you concerning everything they have done as of the date of the memo.

Mr. DENTON. A year ago your percentage of rehabilitation under "Old-age and survivors insurance" was almost negligible. Has that improved any?

Miss SWITZER. It is improving all the time. It is still not an impressive figure and I doubt it will ever be because the number of people with severe disabilities in the upper age groups are so great.

Mr. DENTON. Under this program you were not entitled to disability benefits under "Old-age and survivors insurance" unless you were 50 years old. That 50-year limitation has been taken off now.

Miss SWITZER. Yes; and I think the younger group will more likely be candidates for rehabilitation. Out of the 92-plus thousand in fiscal 1961 there were 4,200 cases that were of that type.

Mr. DENTON. 4,200?

Miss SWITZER. That is right.

Mr. DENTON. That number was rehabilitated?

Miss SWITZER. Yes; out of 92,000. This is only a slight increase over 1960.

Mr. DENTON. That is a very low percentage.

Miss SWITZER. Yes; but I think we have to recognize by and large these are tough cases. By and large they take an extraordinary amount of counselor time.

One reason we instituted this series of projects to concentrate on rehabilitation is to see just what we can do with them.

Mr. DENTON. As I recall it, that brought down your percentage tremendously regarding benefits received in taxes over what was spent in the program. I recall you spent \$1 and got \$10 back in taxes. Because of this program that rate was brought down considerably.

Miss SWITZER. I don't know it is altogether due to this program. One of the reasons the rate is down some is, first of all, the people being rehabilitated includes a larger percentage in the older age group. They have a shorter working life than used to be the case.

Mr. HUNT. Thirty-five percent are 45 years of age and more.

Mr. DENTON. That doesn't seem old to me.

Miss SWITZER. That is figured from the amount of working time left to pay taxes.

IMPROVEMENT OF INDIANA REHABILITATION ORGANIZATION

Mr. DENTON. The situation I complained of last year in Indiana has been cleared up with a change in personnel.

Miss SWITZER. I had heard some question regarding the man in charge of rehabilitation there, but I thought he was a fine man and I liked him very much.

Mr. DENTON. The old one?

Miss SWITZER. No; the new one.

Mr. DENTON. Anyway, it is a great improvement.

Miss SWITZER. That is right. He was an unknown person, sort of a dark horse.

Mr. DENTON. I think your work is rehabilitation and not investigating claims. I think you formerly had a man there in Indiana who just didn't believe in the program and so he disallowed practically all of the claims. You got blamed for something for which you were not responsible.

Miss SWITZER. On the whole, as we improve our procedures and techniques and as our people get more skillful, they are finding advantages in being together.

I talked to Mr. Ball the other day about this. I asked him if he felt there was any appreciable difference in the time lag. I think this is one of the important elements.

In one of two places there might be, but taking the thing by and large I think they are pretty well caught up on the backlog.

Mr. DENTON. I think in the Harrison committee they said there was some 3 months delay.

Miss SWITZER. But then they had a big backlog. I don't think they have 90 days now.

Mr. DENTON. First it is investigated in the local office. Then it is investigated in the State office.

Miss SWITZER. Then Baltimore.

Mr. DENTON. That will take longer than if it were investigated in only one place.

Miss SWITZER. But on the other hand you have a number of levels so you perhaps have a better chance of having an objective judgment made.

I also think one thing which happened is that there has been marked decrease in the number of cases that are referred back and forth. There has been a better understanding.

Mr. DENTON. I understand the figure has gone up.

Miss SWITZER. This may be a healthy thing. This may mean that the decisions need to be reviewed.

Mr. HUNT. You must remember, also, that the determination procedure is the kind of procedure which has bettered as time has gone on so they do spend more money in the development of the case. I know medical fees have increased.

Mr. DENTON. There is room for improvement there. We will all have to admit that.

Mr. HUNT. The more you look into a case the better determination you get.

Mr. DENTON. There is a point of diminishing returns. I do not think it does much good to have three different offices investigate one claim.

Mr. HUNT. Of course, where you have one organization you are likely to have it reviewed in three offices—a local level, a regional level, and a central office level.

Mr. DENTON. That is like an intermediate court.

That is all I have.

CONTRIBUTIONS FROM STATES

Mr. MARSHALL. How many States are contributing more money than they need to in order to get their matching funds from the Federal Government?

Mr. KELLY. In 1963 it would be none. In 1962 I think it is four or five States.

Mr. HUNT. I think there are about 10 in 1961. It was five in 1962.

Miss SWITZER. You will remember, Mr. Marshall, last year the President revised President Eisenhower's budget. This had the effect of almost doing what was done this year by the \$110 million allotment base plus the little proviso.

There will be States like Georgia, however, and perhaps a few others such as Pennsylvania, which will have more money than will be matched. Perhaps they do not show it in their tables to us, but if something comes up, for instance, if they see a chance to do a project or if they have an idea or good opportunity, they have such a flexible standing in their department they will get the money.

I would not be surprised to see a few of those front-runners States spend more money than they get matching.

Mr. HUNT. The allotment base is the significant thing. In 1961 there were 10 States which contributed more money.

Mr. MARSHALL. Can you supply for the record at this point the States which are failing to meet their contribution and the percentage by which they are failing to meet the contribution?

Miss SWITZER. Very well.

(The information requested follows:)

The following table shows the extent to which the States are matching their Federal allotments. Thirteen of the fifty-four jurisdictions have indicated that they will fully match their Federal allotments in 1963.

Four of these thirteen jurisdictions will receive more than the full allotment provided for by the \$110 million allotment base, as a result of the additional distribution of \$240,000 proposed in the 1963 estimate in order to fully match all available State funds.

Federal grants and State funds available for basic support program under sec. 2 of the Vocational Rehabilitation Act

State or Territory	1961 actual			1962 estimate			1963 estimate		
	Federal grants	Percent of allotment	Matching State funds available	Federal grants	Percent of allotment	Matching State funds available	Federal grants	Percent of allotment	Matching State funds available
Total.....	\$54,302,013	78	\$33,603,243	\$62,950,000	70	\$39,428,497	\$71,240,000	65	\$45,096,217
Alabama.....	2,251,900	94	1,033,278	3,049,209	100	1,339,636	3,705,243	100	1,587,956
Alaska.....	118,966	71	76,377	129,912	63	84,888	149,890	68	134,800
Arizona.....	506,939	100	271,239	488,301	73	282,336	532,722	64	306,078
Arkansas.....	1,832,318	100	670,775	1,832,940	100	805,302	2,226,808	100	954,843
California.....	2,904,802	81	2,611,225	3,135,960	90	2,831,416	3,187,869	52	3,000,969
Colorado.....	695,958	100	431,666	829,447	93	524,000	1,142,865	51	726,511
Connecticut.....	492,144	88	320,346	400,252	68	336,100	364,943	51	364,943
Delaware.....	172,144	100	132,456	169,006	100	147,779	190,875	114	190,875
District of Columbia.....	227,958	100	156,272	223,802	100	185,114	411,217	135	141,217
Florida.....	1,805,417	75	1,031,922	2,227,555	74	1,285,505	2,405,542	66	1,580,924
Georgia.....	2,634,810	100	1,256,492	3,363,693	100	1,504,735	4,087,386	100	1,751,731
Guam.....	60,969	100	26,129	76,761	100	32,897	93,276	100	39,975
Hawaii.....	220,174	87	138,545	264,026	76	163,634	290,540	61	164,000
Idaho.....	189,088	74	95,342	226,022	67	112,553	233,222	56	114,041
Illinois.....	2,080,765	82	1,681,448	2,360,002	75	2,089,113	2,415,189	63	2,289,113
Indiana.....	532,197	35	344,436	613,267	31	390,737	620,444	25	399,088
Iowa.....	964,663	83	542,441	956,307	62	564,192	979,183	51	561,625
Kansas.....	738,803	79	402,872	874,647	71	507,481	1,081,226	71	631,472
Kentucky.....	1,000,332	100	266,879	1,152,873	91	312,248	985,784	102	422,478
Louisiana.....	1,232,578	61	562,219	1,758,475	67	770,084	2,107,382	66	903,161
Maine.....	351,652	91	179,292	346,998	68	170,412	357,622	57	173,634
Maryland.....	632,250	58	495,250	715,125	53	556,303	1,019,519	63	776,354
Massachusetts.....	1,038,216	98	846,608	1,297,897	93	1,056,132	1,595,904	92	1,309,966
Michigan.....	1,460,064	57	975,918	1,464,980	41	1,002,555	1,494,544	35	1,098,803
Minnesota.....	1,146,026	86	672,884	1,355,658	77	793,033	1,379,457	63	799,092
Mississippi.....	1,234,736	78	538,190	1,407,142	53	488,265	1,178,337	45	505,000
Missouri.....	883,389	47	533,066	1,078,160	46	671,900	1,219,222	43	773,623
Montana.....	222,713	75	124,075	321,445	83	187,261	310,610	66	187,402
Nebraska.....	382,742	51	204,147	350,195	42	206,126	349,027	35	206,394
Nevada.....	69,413	100	57,831	83,415	100	77,792	106,657	105	105,934
New Hampshire.....	106,950	49	60,227	152,074	53	87,112	151,332	43	87,287
New Jersey.....	1,164,990	81	1,010,133	1,263,713	66	1,131,608	1,457,903	63	1,377,929
New Mexico.....	249,640	54	127,829	296,989	44	137,848	298,291	40	149,325
New York.....	3,769,644	100	3,466,299	4,787,935	100	4,628,144	5,818,053	100	5,818,053
North Carolina.....	2,476,168	76	1,120,647	2,710,792	66	1,194,624	2,809,600	56	1,204,111
North Dakota.....	368,158	99	166,401	373,206	76	164,127	381,555	63	163,523
Ohio.....	1,380,612	69	1,007,563	1,626,202	62	1,210,205	1,644,370	50	1,271,698
Oklahoma.....	1,338,755	100	672,369	1,372,204	83	683,836	1,425,075	71	693,366
Oregon.....	580,630	77	373,500	663,345	70	425,963	666,470	58	426,641
Pennsylvania.....	4,287,329	100	2,962,268	5,339,162	100	3,765,556	6,487,875	100	4,611,971

Puerto Rico.....	852,431	72	411,430	1,104,444	71	495,205	1,448,164	75	620,640
Rhode Island.....	323,138	100	216,080	1,445,982	100	286,698	541,934	100	354,712
South Carolina.....	1,183,024	62	532,245	1,392,911	59	698,065	1,786,839	62	765,785
South Dakota.....	363,807	92	135,846	316,549	73	138,390	1,325,034	60	139,300
Tennessee.....	1,383,337	68	700,666	1,831,374	59	803,576	1,838,213	49	784,375
Texas.....	1,753,243	45	932,019	1,897,719	36	1,090,175	1,883,427	29	1,033,000
Utah.....	304,080	65	134,708	283,481	47	141,178	270,477	38	144,332
Vermont.....	293,885	97	111,074	242,378	85	130,345	260,911	76	125,395
Virginia.....	1,353,780	68	716,253	1,478,300	55	757,832	1,808,040	54	911,238
Virgin Islands.....	20,037	68	8,587	25,193	69	10,797	31,110	70	13,333
Washington.....	1,002,919	97	730,674	878,032	67	636,235	900,636	56	651,375
West Virginia.....	1,197,729	100	501,338	1,429,335	100	638,180	1,736,854	100	773,708
Wisconsin.....	1,025,141	58	609,456	1,185,439	55	736,109	982,121	38	623,607
Wyoming.....	96,011	71	55,912	108,739	63	67,809	117,700	56	77,401
Adjustment 1.....	-----	-----	-----	-40,380	-----	-----	-32,208	-----	-----

¹ Difference between actual State-by-State totals and the rounded totals of the budget request.

SUCCESS OF THE REHABILITATION PROGRAM

Mr. MARSHALL. For many years I have been interested in this program, and I think primarily I have been interested in it because of your accomplishment in the field of action.

Miss SWITZER. I appreciate that.

Mr. MARSHALL. We have a number of these programs where the results obtained are not very noticeable, but when you take a person, and through the assistance you have given him with rehabilitation, put him in a position where he can support himself, or partially support himself, it is a wonderful thing to do for that individual. It also has the effect of relieving the load on many of our institutions where some of these people have required care for a long time.

Miss SWITZER. I think the secret of this program, and this is what gradually other programs in the health and welfare field are learning, is that there is a great advantage to having a specific goal around which you build the services you are trying to give people.

We want to provide the services that will put people to work. Everybody we serve we do not eventually put to work. I don't know exactly how many drop out. We have many more people that come into the program than the 92,000 who have finished, but we do something for everybody who comes in. The program is organized around something specific at the end—not just to give counseling to this group or medical care to this group or that group, but it is an organized program of service directed toward a particular goal. I think this is the secret if you could pick one thing which has made the program successful throughout the years and made it possible to evaluate what we are doing in relation to what we want to do.

PEOPLE IN NEED OF REHABILITATION SERVICES

Mr. MARSHALL. From my observation many people wholeheartedly agree with the statement you have just made. I am wondering what your experience has been in finding these patients. How good has your estimate been of the people who need these services? Does it increase or decrease?

Miss SWITZER. The people have often suggested we make a comprehensive study of this all over again. I think we are too far away from the goal to spend time just gathering figures.

However, there have been a number of different studies made which have not changed the general estimate of the relationship of disability to the population very much. I think we will say it is 12 per 1,000. This has been tested out in morbidity studies of the Public Health Service which we hope they will refine somewhat. They have this machinery for making these studies constantly. We have talked to the Surgeon General and he has gone along in the hope they would refine their data-gathering process so we would have a better estimate.

In localities such as Kansas City, certain of the New England communities, some out in the west coast, there have been intensive studies made in depth of communities. These studies have crossed over income levels, over racial and religious groups, they have identified age groups, and there has not been much variation between any of them on the general estimate of the number of disabled people in the population.

We like to boil this down so that we could say there will be a large number of people with a disability, which is not necessarily handicapping enough to say they never could work, or what have you, but taking all the variables out and letting the statisticians apply their expert techniques, we feel there has been little change certainly in the 10 years I have been responsible for the program except in relation to the population levels where you have a higher number of people, anyway. You have a higher incidence of disability there.

By and large the OASI statistics, for instance, tend to show that our estimates are conservative rather than otherwise.

We said long ago that we had a 2- or 3½-million-case backlog, that we have 270,000 people coming to need rehabilitation every year. This includes an estimate of the mentally ill and a portion of the mentally retarded who have a rehabilitation potential. You could run it up to a couple million more perhaps if you could develop new and better techniques for rehabilitating those that cannot now be served with our present knowledge and resources. A community could really study itself and I wish more of them would.

I am trying to influence our city council in Alexandria to do that so you can feel you have hold of the entire problem.

I have an awful craving to take one small segment and really be sure you are doing everything you can do. I think it would be of tremendous satisfaction.

However, I think our estimates are pretty firm.

REHABILITATION SERVICES IN RURAL AREAS

MR. MARSHALL. I can speak only from observation because I have no statistics to bear this out. It is my feeling that in sparsely settled areas, particularly where there are people of low incomes, in the field of rehabilitation you have not scratched the surface.

MISS SWITZER. That is true. They have not had the services that are available in the organized cities. This is one of the real needs on which we should concentrate.

MR. MARSHALL. Have you been getting the cooperation that you might expect from a number of agencies, such as the Indian Bureau, the Agricultural Extension Service, and agencies of that kind?

MISS SWITZER. I think in some places we have good relationships with the Indian Bureau. We have a project in Montana we are trying to work out. I have always felt that if we could have a better relationship with the Agricultural Extension Service we could do a better job in the rural and sparsely settled areas. This is one of the areas which needs a tremendous amount of staff development. This is not a place where we have done anything like as much as we could, and I think there is a readiness for it now which would be very acceptable, particularly with Governor Freeman who knows what it is all about and who did so much for it while he was Governor of Minnesota. It might be a good time for him to give it a push.

MR. MARSHALL. No doubt you are continually giving some thought as to how you will reach the people in these sparsely settled areas. If you have any suggestions you would like to make which would be helpful I would be glad to have you put a summary of that in the record.

Miss SWITZER. I would like to canvass it if I may because I would like to look at some of the projects where we are trying this out to see whether there is anything we can add to this.

Some of the States which have well-supported programs are Georgia and Alabama, just to mention a couple. In your State I am sure you are aware of some of the deficiencies in small communities. The satellite program in Minnesota has been influential in gathering to them people who would not otherwise be served.

In Georgia and Alabama they have the itinerant counselor and their staff contains a practical bunch of people and they are interested in serving people where they live. Whenever I visit the counselors who go out in Georgia I am amazed what they know about everybody and the kinds of people they have found out in the hills. This varies greatly.

The Midwestern States have done less of this than the Southern States. I suppose this is due to the general need of the Southern States when the program got its big boost for all kinds of service so they wandered everywhere. They had a good start on staffing.

In the Midwestern States the problem is to get adequate support across the board at all, and services which have developed at their best, even though they have shown lots of imagination and originality, have tended to be in the urban centers.

In Illinois, for instance with Chicago, for some reason the rural problem has been less on the minds of the counselors. Perhaps they are just city people.

PROJECT IN MAINE

Yesterday we approved a project up in Maine which was a rather encouraging aspect because it was made possible in a little center developed for the crippled children. It is in Bath, about 30 miles from Portland. They have never gotten off the ground. They have had a hard time keeping personnel.

They came in with a rather intriguing project where they would be the focal point for that sparsely settled country, find disabled people and bring disabled people into the Bath center and into Portland.

The reason they will succeed is because they have a physician they got from Boston who had headed the program at Tufts. He got tired of the city and he is a Maine man anyway. He went back home. This man is one of the roving physicians who will be everywhere. He will tie this whole thing together and we will have a program for the rehabilitation of rural Maine around these two centers and this man will be the key to it.

You have to have facilities. Then you have to have some people who have this in their bloodstream, have a feeling for the locality, and they have to get at people who are more scared than city people. This is a hopeful thing along this line. I shall put other examples in the record.

(The following was subsequently submitted to the committee:)

REHABILITATION SERVICES TO RURAL CLIENTS

As the Nation's population gravitates toward urban centers, the problems of disabled persons in rural areas are magnified and intensified. Not only are adequate rehabilitation resources lacking in sparsely settled areas but job op-

portunities, which provide the crowning achievement of the rehabilitation process, are in short supply. Travel presents a major obstacle in that a journey to the city where modern rehabilitation facilities are located is often accomplished only at the high cost of discomfort and inconvenience to the handicapped person.

Under the Federal-State program of vocational rehabilitation, State agencies are meeting many of the problems of the disabled living in rural areas through services provided by itinerant counselors. For example, in fiscal year 1960, over 8 percent of the persons rehabilitated secured employment in fishing, forestry, and agricultural occupations.

Recognizing the serious nature of this problem, the Office of Vocational Rehabilitation has sought to develop, through the devices authorized by Public Law 565, certain program innovations to meet the needs of the rural disabled. Using funds designated for research and demonstration purposes, mobile rehabilitation teams have been developed in Oklahoma and Ohio which provide diagnostic and treatment services directly to the disabled in small towns and hamlets. The State of Minnesota has established two projects among whose objectives are the mobilization of rehabilitation resources in rural areas. In addition, special disability groups have received attention in rural areas as in the Alabama project which provides coordination between State agencies in rehabilitating blind farmers. New York State has established a program of industrial homework for blind and other handicapped persons in rural areas. In all, 12 research and demonstration projects have been, or are being, conducted which have as their major objective the extension of rehabilitation services to clients in rural areas. Another was approved at the February 1, 1962, meeting of the National Advisory Council of Vocational Rehabilitation which will expand services to the disabled in rural sections of Maine.

A second avenue of approach has been through the use of section 3 funds which stimulate the State vocational rehabilitation agencies to extend and improve their operations. Using these funds, several States have made service to rural clients a continuing part of their regular programs. For example, the Texas agency for the blind has intensified its counseling service to 80 sparsely populated counties in the western part of the State. As a result of an extension and improvement project, the Georgia State agency is now working closely with agricultural specialists in developing programs for blind farmers, including production of poultry, swine, and beef. Likewise, Michigan has organized a program of vocational rehabilitation services to severely disabled persons in the Upper Peninsula.

A third factor which has given impetus to programs in this area is the closer involvement of State rehabilitation agencies with such groups as State rural development committees. In four of the five States in region VII, for example, vocational rehabilitation personnel are members of rural development committees.

Despite the dramatic activities which have been initiated in rural vocational rehabilitation, there can be no doubt of the need for more intensive effort in this area. The problem gains in importance when considered in relation to such other matters of national concern as the depressed areas and the continuing high level of unemployment.

RURAL MOBILE UNITS

Miss SWITZER. I have also always had in mind, myself, the hope that some agency would develop a really top-flight rural mobile unit. The center at Peoria, Ill., has good mobile service but within a limited radius of the center. I have always felt a more efficient way in delivering these services to the sparsely settled places would be similar to one I saw set up in England, a bus which is really an equipped clinic with enough of the machinery and activities of daily living and diagnostics things so they could stay long enough to do what they have really to do, and be constantly roving, coming back to this town on Wednesday, that one on Thursday, and so forth. I have never gotten anybody to do it. I would like to see it done.

Of course, it is expensive to buy and equip a bus, but it would be popular. I am keeping after it.

Mr. MARSHALL. I would like to compliment you and express my appreciation to you and the fine, dedicated people in your organization who have been doing such a splendid job.

Miss SWITZER. That is wonderfully kind of you, Mr. Marshall. We do get wonderful support from our friends on this committee and in Congress. We are grateful for it.

I certainly do thank you.

TUESDAY, FEBRUARY 20, 1962.

OFFICE OF EDUCATION

WITNESSES

STERLING M. McMURRIN, COMMISSIONER OF EDUCATION

JOHN F. HUGHES, EXECUTIVE OFFICER

JOHN J. PATEROS, FINANCIAL MANAGEMENT OFFICER

MRS. GENEVIEVE O. DANE, BUDGET MANAGEMENT OFFICER

WALTER ARNOLD, ASSISTANT COMMISSIONER FOR VOCATIONAL EDUCATION

RAIL I. GRIGSBY, ASSISTANT COMMISSIONER FOR SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

ORIN CORNETT, ACTING ASSISTANT COMMISSIONER FOR HIGHER EDUCATION

PETER MUIRHEAD, ASSISTANT COMMISSIONER FOR LEGISLATIVE AND PROGRAM DEVELOPMENT

RALPH C. M. FLYNT, ASSISTANT COMMISSIONER FOR STATISTICS AND RESEARCH SERVICES

E. GLENN FEATHERSTON, ASSISTANT COMMISSIONER FOR STATE AND LOCAL SCHOOL SYSTEMS

DR. FRANCIS A. J. IANNI, RESEARCH COORDINATOR

JOHN R. LUDINGTON, DIRECTOR, AID TO STATE AND LOCAL SCHOOLS BRANCH, DIVISION OF STATE AND LOCAL SCHOOL SYSTEMS

KENNETH W. MILDENBERGER, DIRECTOR, FINANCIAL AID BRANCH

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

GENERAL STATEMENT

Mr. FOGARTY. The committee will come to order. We have before us this morning the Office of Education. Dr. McMurrin, we are glad to see you.

Mr. McMURRIN. Thank you, sir.

Mr. FOGARTY. Have you a statement for the committee?

Mr. McMURRIN. I have, Mr. Chairman.

Mr. Chairman and members of the committee, it is my honor and privilege to present to this committee the budgetary proposals of the Office of Education for fiscal year 1963. May I express for my associates and myself our appreciation for this opportunity. Also, I wish to take this occasion to acknowledge the very important role this committee fulfills in helping to achieve the goals and objectives of

American education. The record of the committee in this regard is indeed exemplary and your leadership will be as vital this year as it has been in the past.

Or national well-being today as never before depends on the effectiveness of education. National awareness of this fact is increasingly evident. America's position in the world each day assumes greater significance as the principal force for world peace and progress. Moreover, we must recognize that our Nation is in great peril, and that it must now achieve a degree of competence and strength that has not before been known.

The enormous burden that this task places upon our educational establishment is entirely obvious. Whatever else this challenge entails for education, it means that we must overcome the vestiges of complacency that are still with us, that we must cultivate a taste for that rigorous criticism that is essential to progress, and that we must free ourselves from the constant temptation of a provincial posture as to the function proper to our educational institutions. Our past local isolations are gone and the isolation of our Nation is gone. What we now do in our schools has importance not only for our immediate communities but for the Nation and for the world.

The difficulty of our task must not be allowed to deter our efforts and our determination. Of primary significance in terms of our educational efforts are the functions and support proper to the Federal Government and the various relationships that obtain between the Federal Government and the educational institutions themselves as well as their governing bodies in the States and the local communities.

SCOPE OF OFFICE OF EDUCATION PROGRAMS

The privilege and experience of serving as Commissioner of Education over this past year has deepened my appreciation of the very important functions performed by the U.S. Office of Education in its support of American education. The many activities of the Office range across the entire field of education from data gathering to grant administration and from elementary education through adult education. Our programs include recent enactments by the Congress, as well as those based on historic associations. As the Office approaches its centennial observation it is significant to mention some of the assignments entrusted to it by the Congress in recognition of national needs for the improvement of educational services.

Since 1890 the Office has been associated with our great land grant college system through annual and special grants authorized by the Congress. Federal funds annually made available to these universities will reach a new high, \$14.5 million in fiscal year 1963 thereby fulfilling the increased authorization voted by Congress in 1960. Another relationship to education is represented by aid extended in the last decade to hard-pressed school districts throughout the Nation in federally affected areas; now one-third of all our public school children are benefited by this program.

Through programs wisely designed by the Congress, the Office since 1917 has been assisting States and communities in the preparation of young people for vocational and technical employment. Children who have unusual handicaps such as mental retardation and deafness are

assisted in their educational pursuits by the provision of specially trained teachers who in turn are supported by Federal funds recently authorized by Congress.

Atomic physicists, linguistic experts, and learned scholars are aided in their graduate training by special programs of the National Defense Education Act, a landmark of educational progress in this country. Some 190,000 students are now attending colleges and universities throughout the country with the aid of student loans supported by Federal funds.

Various programs of the Office are directly aimed at the improvement of educational excellence through assistance to programs which upgrade instruction in selected fields, such as science, mathematics, and foreign language.

In the field of educational research and development the Office of Education is attacking a series of problems which directly impinge on the quality of our educational processes. I cite for example our recent work—supported by this committee—to improve the teaching of English in our schools thereby removing an across-the-board impediment to learning in all fields. Research projects which have analyzed the problems of mentally retarded children, gifted children, and juvenile delinquents represent a major part of our research program. Significant results in these areas will pay substantial dividends to our schools, our students, and our society. A major report has just been released by the University of Pittsburgh on the findings of Project Talent which assembles a unique body of information about American schools and students.

We are developing, with the continued support of this committee, a modern statistical program in the Office of Education to update our information on educational topics of national concern. In the area of statistics I regard it as a matter of urgency that we intensify our efforts to work cooperatively with the States in the formulation of a program of basic information which will cut through much of the cumbersome methodology now employed in the field of educational data gathering. Progress in some States is already such as to outmode our Federal program.

VOCATIONAL AND TECHNICAL EDUCATION

No aspect of education today exceeds vocational and technical training in its importance to the achievement of national manpower requirements. The Federal programs in this area have made contributions which immeasurably add to the productivity and prosperity of our society. Swift advances in the fields of automation and general technology have now placed these programs in a position of critical importance to our continued economic and social progress. As a nation we need to reassess the directions in which vocational programs have been moving in the light of technological changes. It is therefore with reassurance that I report to you that the study of Federal programs in vocational education is proceeding toward the goals of a report and recommendations for improved Federal legislation attuned to modern conditions. We were pleased to have the chairman present at our first meeting in November and look forward to the committee's continued interest in the work of the panel of

consultants under the able leadership of Dr. Benjamin Willis, superintendent of schools, of Chicago.

INTERNATIONAL EDUCATION

Our programs in the area of international education are assuming increasing importance. Here the office has a unique opportunity to bring to bear its skills and experience for the direct benefit of American education as well as our neighbors of the free world. Education has become the principal institution sought by emerging nations in their quest for progress and independence. It is significant that most of these look to the United States as the Nation best equipped to provide the practical help needed for this objective.

I would say, Mr. Chairman, it is a comparatively recent development that other nations have looked to the United States for educational leadership. Up until very recently, they have looked to England and the European countries, as you know.

Here at home one of the most obvious needs of the times is to obtain and distribute up-to-date facts about the nations of the world and to promote international understanding through our schools. All too much of the information needed by our schools in the fields of geography, history, and economics is available in outmoded texts, or even worse it is unavailable. Many schools are installing new courses and programs aimed at combating communism or teaching Americanism without scholarly research or careful assembly of the facts which will assure the success of these efforts.

Mr. Chairman and members of the committee, you may have read a recent statement by the distinguished columnist, Mr. Roscoe Drummond, on the activities of the American Bar Association, which recently published a report on this subject urging that more be done to forward education in the principles of democratic freedom and in the understanding of communism.

A major project of the Office of Education which has been launched this year involves the establishment of a series of major national conferences of leaders from all fields of education on ways to improve in our schools an understanding of world problems and American democratic ideals.

The Office of Education provides valuable assistance to a variety of Federal and non-Federal agencies in the assignment of foreign teachers to our schools and in the servicing of foreign visitors. For example, during the current year there will be received in the Office of Education a total of 2,600 teachers, students, experts, and visitors from foreign countries for whom program services must be provided.

LANGUAGE PROGRAMS

One of the dramatic advances of recent years is the progress made in removing the language barriers that prevent our people from communicating readily with the non-English-speaking world. A major factor in this advance is the National Defense Education Act language development program. Through the language development program (title VI) significant progress has been made in strengthening language and area programs in higher education and improving the quality of language teaching in the schools.

Title VI was designed in part to strengthen national resources in language and area studies, principally in the non-Western areas of the world. On a matching fund basis we have established 52 language and area centers at 33 institutions of higher education at which more than 60 uncommon languages are now being taught along with related area studies. The American Council on Education recently published the following statement in its survey of our language program:

Through the language and area centers program the Federal Government has provided substantial direct support for the first time on a large scale to disciplines that traditionally are regarded as belonging to the humanities rather than the sciences. Moreover, the Federal Government has provided its share of the financing of language and area centers without impairing the autonomy of the institutions receiving the funds; in short, Federal funds have been given without Federal control.

Financial assistance has been provided to more than 1,000 advanced students of these critical languages and areas, and is helping to speed the flow of language specialists into the national manpower pool where they are so urgently needed. A major deterrent in this field has been the lack of basic teaching tools—basic courses, grammars, dictionaries, readers. Now under the title VI research authorization, these essential materials are being prepared for 122 languages. Our goal is to have basic tools of access to every significant language and culture of the world. At this point I will interrupt my statement briefly to ask Dr. Mildenerger of our staff to present to you some of the instructional materials recently provided under the aegis of title VI.

Mr. FOGARTY. Go ahead, Doctor.

Mr. MILDENBERGER. Mr. Chairman and members of the committee, I am pleased to present to you at this time a few of the language instruction materials which are being prepared under contract pursuant to the authorization of title VI of the National Defense Education Act. I have prepared a list of these materials selected from a growing supply which I offer for the record.

(The document referred to follows:)

SELECTED LANGUAGE—TEACHING MATERIALS DEVELOPED UNDER SECTION 602,
TITLE VI, NATIONAL DEFENSE EDUCATION ACT

"Advanced Arabic Reader." William M. Brinner and Mounah A. Khouri, University of California, Berkeley, Calif., 1961, 229 pp.

"Gio: Structural Studies and Pedagogical Materials." Kenneth E. Griffes, Hartford Seminary Foundation, Hartford, Conn., 1959, 169 pp.

"Dagur Mongolian Grammar and Vocabulary." Samuel E. Martin, Indiana University Publications, Bloomington, 1961, 336 pp.

"A Reader of Pashto." Herbert Penzl, University of Michigan, Ann Arbor, 1961, 280 pp.

"A Reference Grammar of Modern Persian." Mohammed Ali Jazayeri and Herbert H. Paper, University of Michigan, Ann Arbor, 1961, 344 pp.

"The Phonology of Modern Standard Turkish." Robert B. Lees, Indiana University Publications, Bloomington, 1961, 76 pp.

"Introduction to Spoken Vietnamese" (revised). Robert B. Jones and Huynh Sanh Thonl, American Council of Learned Societies, New York, 1960, 295 pp.

"A Vietnamese Reader." Laurence C. Thompson and Nguyen duc Hiep, University of Washington Press, Seattle, 1961, 368 pp.

"Introductory Yoruba." Hans Wolff, Michigan State University, 1961, 139 pp.

"A Visual Grammar of Spanish" and "Manual of Instruction." William E. Bull, University of California, Los Angeles, 1961. (A set of 150 posters which present in visual form: (1) linguistic contrasts between English and Spanish and (2) linguistic contrasts within the Spanish language with which the speaker of English is not familiar.)

"Tests To Measure Proficiency of Teachers and Advanced Students of Modern Foreign Languages." Wilmarth Starr, Modern Language Association of America. Available through the Educational Testing Services, Princeton, N.J. (Sets of tests for Spanish, French, German, Russian, and Italian for the seven skills: aural understanding, speaking, reading, writing, language analysis, culture, and professional preparation.)

"Applied Linguistics: Anthology" and "A Guide for Teachers." Simon Belasco, editor, D. C., Heath & Co., Boston, 1961. (Separate guides for: French, Albert Valdman; German, J. W. Marchand; Italian, Robert A. Hall, Jr.; Russian, Thomas Magner; Spanish, Daniel Cardenas.)

"A-LM Russian: Level One." Mary P. Thompson, project coordinator, Harcourt, Brace & World, Inc., New York, 1961.

A set of materials for the teaching of beginning Russian in the secondary school.

For the student:

Student text.

Student binder.

Teaching tests.

Practice record set.

For the classroom or laboratory:

(Identical contents in each.)

Classroom/laboratory record set.

Classroom/laboratory tape set (3¾ ips).

Classroom/laboratory tape set (7½ ips).

For the teacher:

Teacher's manual.

Reading-writing-spelling manual.

Teacher's binder (student text and supplementary materials).

(Similar sets of materials are available in Spanish, French, German, and Italian and will include, on completion of the project, materials for four levels of instruction in each of the five languages.)

ADVISORY PANEL TO A-LM PROJECT

Ralph Bassett, Portland public schools, Portland, Oreg.

Shelton T. Belsches, State board of education, Richmond, Va.

Emma M. Birkmaier, University of Minnesota.

Elizabeth Boone, Dade County public schools, Miami, Fla.

Nelson Brooks, Yale University.

James Carey, North Phoenix High School, Phoenix, Ariz.

Carl Dellacio, Long Beach public schools, Long Beach, Calif.

Ermal E. Garinger, Campus High School, South Wichita, Kans.

Wulf Griessbach, Los Angeles State College.

M. Philip Leamon, University of Indiana.

Sister Mary Magdalen, O.P., Dominican High School, New Orleans, La.

Andrea McHenry, Houston Independent School District, Houston, Tex.

George A. C. Scherer, University of Colorado.

Jane J. Scott, State department of education, Boise, Idaho.

Louise Seim, Oakland City Unified School District, Oakland, Calif.

William Sonandres, Ann Arbor public schools, Ann Arbor, Mich.

Wilmarth H. Starr, New York University.

Ruth Hirsch Weir, Stanford University.

APPROACH TO THE LANGUAGE PROBLEM

MR. MILDENBERGER. It has been said on a number of occasions that title VI involves a two-pronged approach to the language problem: first, to develop our capacity, especially at the advanced higher education level, to provide instruction in the less taught but significant languages of the world; second, to strengthen instruction in the commonly taught modern foreign languages in the schools.

The materials shown here are designed to serve one or the other of these purposes.

NEGLECTED LANGUAGES

First, I shall discuss materials for the so-called neglected languages.

Title VI support has now been extended for the preparation of various kinds of materials in 122 such languages. Included are 50 linguistic analyses, 67 basic courses, 66 readers, 31 reference grammars, and 24 student dictionaries, as well as assorted other types of materials.

There are perhaps 3,000 languages spoken in the world. Indeed, some scholars count many more. Our choice of significant languages and needed materials has been guided by the best advice available.

Since title VI requires that the Commissioner make a determination as to which languages are significant to the national interest but inadequately available in higher education, the very first research contract under the National Defense Education Act in 1958 was with the American Council of Learned Societies, to identify quickly those languages in which trained persons were most needed by government, business, industry, and education. The ACLS was chosen for this task because it had a very distinguished history in dealing with these neglected languages going back to before the Second World War, under the direction of Mortimer Graves, the now retired director of ACLS.

As a result of this study, directed by Prof. W. Freeman Twaddell of Brown University, a preliminary list of 83 languages was established. Later, a large conference, which followed much research by specialists, extended the list to more than 100 languages plus several scores of dialects.

In addition, the selection of needed projects in various languages has been based upon the recommendations of scholars, teachers, and researchers in specific world areas. Under title VI contracts, responsible organizations and institutions have assembled the outstanding linguistic personnel for each region of the world. Each such conference developed priorities for relevant language projects.

Out of this background of careful preparation, our program in materials for teaching the neglected languages has emerged.

SAMPLE INSTRUCTIONAL MATERIALS

We have here today nine examples of instructional materials in the neglected languages. Perhaps I shall just hold them up, unless someone would like to take a closer look. The first is "Advanced Arabic Reader," prepared under contract with the University of California at Berkeley. Then, "Structural Studies and Pedagogical Materials in Gio." Gio is an African language spoken in northeast Liberia and adjoining parts of the Ivory Coast. That was prepared under a contract with the Hartford Seminary Foundation.

The next item is a "Dagur Mongolian Grammar and Vocabulary," prepared under contract with the ACLS, published by Indiana University. Dagur Mongolian is a variety of Mongolian spoken in Manchuria.

We have "A Reader of Pashto," prepared under a contract with the University of Michigan. Pashto is the language of 13 million people in Afghanistan and Pakistan. And "A Reference Grammar of Modern Persian," also prepared at the University of Michigan. Persian is spoken by 14 million people in Iran.

Then "The Phonology of Modern Standard Turkish," a book which examines the sound of modern Turkish, prepared under a contract with ACLS. Then two books dealing with Vietnamese, a critical part of the world at the moment, a reader and an "Introduction to Spoken Vietnamese."

Finally in this group, "Introductory Yoruba," prepared under a contract with Michigan State University. Yoruba is one of the principal languages of Nigeria, with about 5 million speakers.

COMMON LANGUAGE

Turning to the problem of the commonly taught languages, strengthening instruction in these languages in the schools offers problems rather different from those of the neglected languages. Here we are faced with the need to develop new approaches, new methods, new materials, new teaching competencies. Title VI takes specific cognizance of this problem when, in the provision for language institutes for schoolteachers, it calls for advanced training, particularly in the use of new teaching methods and instructional materials.

There was every kind of testimony that the time was overdue for a change in language instruction from almost exclusive attention to grammatical analysis and translation of texts to a more functional view of language which involves all four skills—listening comprehension and speaking, as well as reading and writing. What was lacking for the schools was the battery of materials around which such an instructional program might be built.

A conference of specialists convened by the Office of Education in February 1959 confirmed this and placed top priority on the development of such materials. As a result, the Office of Education contracted with the Glastonbury Public Schools in Connecticut to undertake the creation of such materials in five languages—French, Spanish, German, Russian, and Italian. These materials were to involve four levels or four stages of learning. The levels would cover a period of instruction of from 4 to 6 years, depending upon the organization of the school system, and there was to be heavy emphasis on the so-called audiolingual approach, especially in the beginning of the course. That is, the emphasis would be on listening and speaking before seeing and attempting to read the language.

FIRST-LEVEL LANGUAGE COURSES

The first-level of these five language courses has been available to the schools since last September, and today more than 125,000 beginning students in foreign languages are beginning to learn a language by this method with these materials. Teachers, administrators, and pupils are enthusiastic in their response.

I have brought here today the first level of materials for just one of those courses, and this is the Russian set of materials. As you can see, compared with the traditional course which was usually just one book, a little bit bigger and heavier than this one there is quite a battery of materials involved here.

For the pupil, there is the student text in a student binder. However, the student does not get his text all at once. He gets only units of it. He gets a unit of the text only after he has listened and under-

stood and spoken and understood what he was saying and has come close to some kind of native speaking ability.

Mr. FOGARTY. Does the color of these things have any significance?

Mr. MILDENBERGER. No, sir. They are all colored red.

Also for the student—this is another innovation in this program—are homework records. The student, instead of taking home his reader, reading five pages and doing all the things we used to do between the lines when we were doing our homework, takes home a homework record. Here he listens to the dialogs and the lessons of the week. There are pauses for him to repeat what he hears. At home he develops and increases his speaking and listening proficiency.

These are purchased by the school, and each record covers one unit in the course. It is issued to the student and then picked up at the end of that period, and is available in the library for further practice.

Another part of this course for the classroom or the laboratory, if the institution has a language laboratory, is a set of long-play disks which record not only the dialogs in the course, but also the various lessons which are built around the dialogs in order to develop speaking competency.

If the school has tape recorders, then there is available a set of 40 tapes. Everything in the course in Russian is on the tapes or on the records. It is all available so the student can hear and can repeat and can learn to speak the language.

Additionally, there is a teacher's manual to help the teacher teach this very special course more effectively. Then there are various other smaller aids to the teacher to assist her in various ways.

COMPARISON OF LANGUAGE TEACHING METHODS

I think you can see how very different this sort of program is from the conventional one-book course without any sound materials.

Mr. LAIRD. What is the difference between this course and the course at the Army Language School or the State Department Language School where they use records?

Mr. MILDENBERGER. The basic principles are the same. One of the basic differences would be that in the Army Language School or the Foreign Service Institute—

Mr. LAIRD. Let us take the Army Language School, because I believe their course is a little better. I have been in both of them, and it seemed to me that the Army Language School at Monterey, where I spent some time this year, was a little more advanced than the State Department school.

Mr. MILDENBERGER. The Army Language School makes heavy use of so-called native informants, native speakers, who are drillmasters and drill the students and model the language themselves. We cannot expect our native-born American teachers yet to be doing that. So, we have to make more use here of recorded materials than would be made in the total program at the Army Language School.

Mr. LAIRD. They spend 4 hours a day with these records and tapes at the Army Language School. Are these the same tapes?

Mr. MILDENBERGER. They are physically the same kinds of tapes.

Mr. LAIRD. Who prepared this course?

Mr. MILDENBERGER. This was prepared under contract with the Glastonbury Public Schools, and was developed especially for be-

ginning high-school level students. The vocabulary and the content and themes are aimed at the student at that age level.

Of course, a major difference between the two programs is that at the Army Language School you have a very intensive, full-time program, and in school this is only one subject of a number of subjects the student is taking. That is another major difference.

The general approach and the general objectives are very much the same.

TRAINING LANGUAGE TEACHERS

Turning briefly to other materials here, we arrive at the problem of training or retraining teachers and the effectiveness of individual institutes.

The Office of Education contracted with the Modern Language Association to develop 62 tests of the proficiency of teachers of five languages in seven areas of competency: listening comprehension, speaking, reading, writing, linguistic analysis, culture, and professional preparation. For each language there are two batteries of these tests, two separate series. Over 100 language specialists participated in the preparation of these tests. They are used at the beginning and close of NDEA language institutes, and provide an excellent check on the success of such institutes. The battery of tests given at the beginning of the institutes also serves to illuminate the deficiencies of individual teachers so special emphasis may be placed upon remedying those specific deficiencies.

These tests will soon be available to the educational world, and two developments seem imminent. First, institutions of higher education are interested in using these validated tests as a basis for qualifying language majors as adequately prepared, and several States, notably, at the moment, Pennsylvania and Minnesota, are interested in using the tests as part of their teacher certification procedure, thus adding the all-important dimension of actual performance and proficiency to the traditional but misleading certification requirement of merely a stated number of course credits.

APPLIED LINGUISTICS

Mr. Chairman, I shall just point out two other products of the research program of title VI.

Modern scientific linguistics has contributed much to the methods and materials of new language teaching, and many NDEA language institutes include instruction in applied linguistics. The experience of the first institutes in 1959 revealed the need for special materials to help school teachers understand the significance of applied linguistics in their teaching. These materials were prepared under contract with Pennsylvania State University, and they are now available in a series of volumes and are being used at institutes as well as regular teacher training programs around the country.

VISUAL AIDS FOR IMPROVED LANGUAGE TEACHING

Finally, we have not neglected the possible contributions of visual aids to improved language teaching. As one example, a contract with UCLA has produced a set of 150 colored posters which present

in visual form some of the key problems of Spanish grammar. I have here just a portion of that set of 150. These posters are now being used with fine results in scores of schools, and that number will soon grow to hundreds. The results will be carefully evaluated, and even now all signs indicate this is a highly significant and effective innovation. I have here just a few samples of these. Sometimes a single card does the job, and sometimes a series of two or three.

The point here is that the same word, "policía," is in both pictures, but one is preceded by "el" and the other by "la." You get the idea pretty quickly that "el policía" is a policeman, and "la policía" is the police force. This is a very elementary and simple idea, but it associates the idea with the picture instead of the idea in Spanish with the idea in English. It associates the idea with the picture, with the thing, rather than an English word.

Mr. Chairman, I thank you and members of the committee for your patience and interest while I have presented this hasty survey of some of the arriving fruits of the title VI research program.

Mr. FOGARTY. Thank you, Doctor. I think you have a very difficult section to be responsible for.

Go ahead, Dr. McMurrin.

Mr. McMURRIN. Thank you.

NEW REQUIREMENTS IN EDUCATION

In reciting briefly some of the activities of the Office I wish by no means to convey the impression that what we are doing is sufficient or complete when judged by the requirements of our times. Quite the contrary is true, since our contributions and services in many cases underscore more and broader needs than those we are meeting and our progress frequently points to new measures of assistance that are essential to upgrade education. Our difficulties now quite frankly stem from fragmented approaches in many cases dictated by tradition or the specificity of authorizations which sharply limit the scope of our functions. The legislative and budgetary proposals of the administration taken together will fill many of the gaps in our existing programs and will provide a better balance to our total effort.

It is my personal conviction that measures must be taken to establish the Office of Education in a more effective position for advancing educational excellence. This committee is entirely familiar with the substantial and increasing investment in many fields of education that the Federal Government is now making. Some \$2.5 billion is being spent annually by Federal agencies in a variety of educational activities of which about one-fifth is administered by the Office of Education. A report soon to be released by the Office of Education will outline the impact of Federal expenditures on our institutions of higher education and will indicate in detail how the funds are expended by fields of study and by types of institution. As Federal investments and involvements in educational activities continue to grow, the Office of Education must be in a position to give the Congress and the public a clear assessment of Federal activities in the field of education.

ORGANIZATION OF THE OFFICE OF EDUCATION

Last year I reported to this committee that the organization of the Office of Education was under serious consideration and study. Indeed it is a subject which has consumed much of our time and energies over this past year. The report of the Office committee which studied the future organization needs of the Office has been a part of our consideration. However, no single report or series of recommendations covers the range of our review. The results of our study and the plan recently approved by the Secretary are in my judgment sound and timely. Indeed, the need for reorganization has been urgent. As I have reported to the Secretary, the Office must realine its functions in ways that will improve its efficiency and at the same time strengthen the entire structure. A clear separation between programs involving large-scale financial assistance and those involving research and development is a matter of uppermost importance. Likewise, steps to facilitate the unification of grant program policies and practices are highly essential.

PLAN FOR REORGANIZATION

The new plan of organization calls for the establishment of three major bureaus within the Office of Education, replacing the existing six divisions (refer to chart). These are the Bureau of Research and Development, the Bureau of International Education, and the Bureau of Educational Assistance. The existing programs of the Office of Education would be assigned within these Bureaus in terms of their major functional purposes. At the level of the Commissioner's office, the staff services of the Commissioner will be strengthened through the establishment of an Office of Program and Legislative Planning which replaces the present Legislative and Program Development Branch. The plan also calls for the establishment of a special panel of advisers of the Commissioner to be used on special assignments and projects in addition to the establishment of advisory committees in such areas as statistics and research planning.

Perhaps the most important gain of the plan is the opportunity it will provide to deal with educational problems on a comprehensive basis without regard for artificial limitations on the level of educational programs or the method of study. Thus our new Bureau of Research and Development will assemble the Office forces for gathering information, conducting research, and disseminating results of studies on education problems of all kinds.

The plan also provides for a major assignment of responsibility to the area of international education to support the very obvious commitment to this area that will be required in the execution of existing laws and programs of the Federal Government.

Special recognition is given to the growing responsibilities of the Office for providing services to exceptional children. Programs in this area are included in a new branch entitled "Education for Exceptional Children Branch." Recruitment for a Branch Director has been underway for several months and is about to be completed.

Likewise, adult education will receive increased attention by inclusion in a new Division of Continuing Education and Cultural Affairs which will also embrace the Office program for library services.

For your information and that of the committee, Mr. Chairman, may I say that it is our purpose to implement the new organization on April 1. No public announcement of this has been made, but a full announcement will be made to the press and to the staff of the Office of Education in advance of April 1. The proposed reorganization has received the approval of the Secretary.

NEED FOR A STRENGTHENED OFFICE OF EDUCATION

I wish to emphasize the point that the Office of Education must be placed in a position of leadership to attract and retain high-caliber persons in positions of prestige and responsibility. This calls for an upgraded structure and an improved salary scale. Our personnel losses of key individuals because of inadequate salaries is a matter of deep concern. The new plan will provide opportunities which should help overcome this limitation.

Moreover, I wish to report to you that in my associations within the administration I have encountered remarkable consensus and encouragement for the matter of improving the organizational structure of the Office of Education. Secretary Ribicoff has given me the greatest support in this respect. In our relations with other agencies of Government—many of which look to the Office for professional educational assistance—I have sensed a positive desire to have the Office of Education assume a position of leadership and coordination for educational programs of the Government.

Now, in turning to the several individual requests for funds represented by the Office budget, I wish to assure this committee of the full cooperation of the staff of the Office of Education in providing you with full information in all matters pertaining to the requests.

This concludes my general statement, Mr. Chairman.

SHIFT OF EDUCATIONAL LEADERSHIP TO UNITED STATES

Mr. FOGARTY. Thank you, Doctor.

Doctor, what is the significance of the emphasis being shifted from Western Europe to this country in educational leadership? This has happened in the field of health, especially since the Second World War. That shift took place in medicine but now you say for the first time it is taking place in education.

Doctor McMurrin, please tell us about that.

Mr. McMURRIN. This is taking place in education, Mr. Chairman and, as an example, may I point out that I was recently a member of a delegation appointed by the Secretary of State on educational and intercultural exchanges with Japan.

In our meetings with the Japanese delegation which was made up primarily of a group of distinguished Japanese scholars and university presidents, the Japanese delegation made it very clear they had never before looked to the United States for educational leadership and that it is only since the Second World War, and within the last few years since the Second World War, that the Japanese have assumed that they had anything to learn from the United States in educational matters.

Mr. FOGARTY. What do you mean by "leadership"?

Mr. McMURRIN. By "leadership" I mean at this point that the Japanese people had assumed that if a person was to receive a first-class education in the sciences or in the humanities or the liberal arts, he would have to go to Europe, since this kind of education was not obtainable in the United States. This is the first thing.

The second thing, if they were looking for advice and assistance in the development of their own universities and their own schools, they would not come to the United States but, rather, would go to Europe. At the present time they regard the United States as the place to look for such assistance and they are looking to us. I think this is true not simply of Japan but that it is true also of people in the Middle East and is, to a considerable extent, true of India, although the Indians have a natural affinity for British education, for obvious reasons.

The meaning of this for us, and specifically for the Office of Education and its responsibilities to American education, it seems to me, is essentially this: We must produce not only excellence but a large quantity of education, so to speak, for export purposes. The demand that will be made upon us for scholars, teachers, and scientists to make their services available for brief periods of time to other countries, is going to be very great. At the present time, we do not have scientists and educators and teachers in exportable quantities.

Mr. FOGARTY. Is that good or bad, in your opinion?

Mr. McMURRIN. This, I think, is very bad.

Mr. FOGARTY. I did not mean the latter part of your statement.

Mr. McMURRIN. The exporting of it?

Mr. FOGARTY. About lending assistance to other countries?

Mr. McMURRIN. I think it is good for two major reasons. I believe we are in a position to provide in quality the kind of services and the kind of leadership the world needs and the shortage is not in quality so much as in quantity.

Secondly, we are in a position to do a greater service to the world which, in itself, is of great importance.

We can do this through the exportation, so to speak, of our educational product. This would enable us to export the ideals and principles of democracy and a free society in the most effective possible manner.

I think this is the finest avenue of influence upon the world at the point of the meaning of democracy and the principles of democracy.

STATE OF AMERICAN EDUCATION

Mr. FOGARTY. A year ago we discussed the so-called Rickover Report, the Derthick Report and then you made a report.

In the year since you have been in this position, Doctor, has anything developed that would change your ideas about our educational system?

Mr. McMURRIN. I can say this, Mr. Chairman: My observations of American education over the past year, which have been from a perspective that I had not formerly had the advantage of, have confirmed the basic views expressed in my earlier report, that although we are not in the best of shape—and I feel that we should be rigorously critical of ourselves in education at every point; I think we deserve criti-

cism and that we should be critical of ourselves—nevertheless the foundations of American education are very strong and the foundations are very secure. I indicated this in my report, as did Dr. Derthick in his. We are moving in a good direction and we are moving in a good direction at a solid rate. I think at every point American education is improving. It is improving in quality. It is improving in the conception of what the role of education should be in our society, and it is improving in its extent. That is, more and more people are being brought within the framework of the educational process.

It seems to me that our problem is to insure that we move in this direction at the most rapid rate, and that we overlook no opportunities for the achievement of the highest possible quality. I think the picture of American education is good because of the direction we are moving in.

I might say in response to the suggestion from Mr. Hughes, that in keeping with the problem which Admiral Rickover has been very much concerned with, and certainly one that all of us should be concerned with—that is, the problem of improving the quality, and rigor and achieving a tightening up on the character of American education generally—the bill that is now before the House, the President's so-called educational quality bill, introduced by Mr. Thompson, is, we think a major effort to support such quality and to support it at its roots which are teacher education and the inservice training of teachers, and the development of better techniques and principles in teaching.

We hope that this bill is going to receive favorable consideration from the House and the Senate because we believe that nothing can improve the quality of American education faster than improvement in the quality of the education of teachers.

IMPROVEMENT OF TEACHER QUALITY

MR. FOGARTY. How do you improve the quality of teachers?

MR. McMURRIN. I think we improve the quality of teachers in four major ways.

The first is through the identification of the right people to become teachers and by "right people" I mean people of first rate talent and ability. I think that by and large the American people have felt that although education is of fundamental importance, the educational profession, and especially at the point of elementary and secondary schools, is a profession that is appropriate for people of second and third rate ability.

We are thoroughly convinced that the task of the teacher is the kind of task—especially as it will be in the future, with our society laying larger responsibilities on the teacher—that requires people of first-rate ability and first-rate ability only.

Therefore, we must attract people of this type exclusively into the teaching profession. We have large numbers of them now and we need them in large quantities.

Second, to give them the kind of education in the subject they are going to teach that will insure that every teacher is a master of his subject. It is well known that it is all too true at the present time that far too many teachers in the American schools are not masters of the subject they teach.

Third, to give them a genuine liberal education so that they are educated people themselves and they can impart to their students the kinds of attitudes, the kinds of interests, and the kinds of ideas that are basic to the meaning of a full education.

Finally, to teach them in the art of teaching and to cultivate their talents in the art of teaching.

In my opinion, Mr. Chairman, the American colleges of education, and schools of education, have generally conceived their task on a far too narrow basis. The cultivation of the art of teaching involves far more than what they have generally given their attention to.

There is evidence that they themselves recognize this and I think that the educational schools of this country under the leadership of a few institutions and a rather large number of people are moving in a very good direction to raise the level of teacher education.

Mr. FOGARTY. Is this bill controversial? I have not heard much about it.

Mr. McMURRIN. I think the bill is not controversial in the way that the general-aid-to-education bill is controversial. It is a bill that promises not to involve the Congress in arguments having to do with parochial education, private schools, and not to involve it in such arguments as have to do with money for salaries for teachers. It does not involve the problem of the financial ability of States. It is directed simply to the upgrading of quality and would provide funds for higher education and also public schools.

ATTRACTION OF PEOPLE TO THE TEACHING PROFESSION

Mr. FOGARTY. In the matter of selection of a person to go into the teaching profession, would you provide counseling services at the high school level for that?

Mr. McMURRIN. For people to go into education?

Mr. FOGARTY. Yes. I am thinking of your statement on the importance of selecting the right people, people who are best qualified.

Mr. McMURRIN. Mr. Chairman, I think this has to be done at all levels. Certainly the education profession must be in the picture of counseling in the high schools, just as the sciences and various other vocations are in the picture of the work of the counselor.

It must be done also at the level of higher education where the average run of student makes his final decision on his vocation. Far too little has been done in the past but there is every promise that more will be done in the future to insure good counseling in this respect.

One of the problems we invariably face is that we are caught in a vicious circle on the attraction of people of high competence to the teaching profession because of the salary situation. Many people are opposed to higher salaries for teachers because they are aware that large numbers of teachers are not people of first-rate competence, and yet without higher salaries it becomes very difficult to attract teachers of the highest competence. I talked the other day to a school superintendent in Atlantic City, where a meeting is now going on of school superintendents, and he told me that with the salary schedule in his district they could not hire first-class teachers and that he always had to be satisfied with second and third choices in the selection of teachers

because he could not pay the salary required to get a teacher of his first choice.

Mr. FOGARTY. Do you find that more young men are going into the teaching profession than before?

Mr. McMURRIN. The number of men, I believe, is increasing, not only in the secondary schools but in the elementary schools. I think this is a very healthy development.

Mr. FOGARTY. That might help in raising their salaries eventually?

Mr. McMURRIN. Yes, that is quite true.

SCHOOL DROPOUTS

Mr. FOGARTY. What is the trend with regard to school dropouts?

Mr. McMURRIN. The figures on this may be available to one of our people here, Mr. Chairman.

Mr. FEATHERSTON. I do not have them available today, Mr. Chairman, but we can get them.

Mr. FOGARTY. What is the trend? Is it going up or down, staying the same, or what?

Mr. FEATHERSTON. I do not believe I can venture an immediate report on that. Our counseling service is now getting into operation in a great many more places, and, in addition, there are a good many studies now taking place on the dropout question. I would assume they are on the decrease in many of the cities where they have been studying the problem; I know that is true in some instances, but I would not want to generalize.

(The requested information follows:)

SCHOOL DROPOUTS

Progress in the reduction of school dropouts has been gradual but consistent during the past several years. The following nationwide statistics compiled by the Educational Statistics Branch of the Office of Education show, by year of graduation, the percent of students in the fifth grade, for each of 6 years, who graduated from high school.

[Compared to number of 5th graders 7 years earlier]

	Year of graduation					
	1955	1956	1957	1958	1959	1960
Percent of graduates.....	55.9	58.1	57.4	58.2	59.3	60.4

While these statistics indicate progress, they also demonstrate that far too few students are completing high school.

Many communities are developing or implementing a variety of programs designed to reduce the number of school dropouts. A few of the more notable ones include:

(1) New York's "higher horizons program" which includes a demonstration guidance program for the early identification and stimulation of able students not now identified and an enrichment program to overcome the stifling of educational motivation in children from families struggling economically and without an educational tradition.

(2) Several communities have reported satisfactory results from schoolwork programs as a means of keeping potential dropouts interested and in school. Some outstanding programs in this area are being conducted in Santa Barbara, Los Angeles, Detroit, Chicago, Washington, Philadelphia, Quincy, Phoenix, Cincinnati, Rockland County, N.Y., and St. Louis. These programs not only continue the students in school but also provide them with valuable on-the-job training to facilitate their transition from school to work.

(3) Indianapolis has set up a special school to teach salable skills to potential dropouts. Students receive credit toward graduation for these special courses.

(4) Several cities, of which Washington, D.C., is a good example, have set up a "track" system at the secondary level to provide special curricula and instruction to meet the specific needs of the various interest and ability groupings of students. One of the "tracks" usually provides special courses, counseling, and instruction for potential dropouts. Such a system is intended to make better provision for specialized attention to the needs of each group than can be accomplished through one general curriculum for all students.

(5) St. Louis' Banneker project has received nationwide attention. It is noteworthy in many respects, but particularly in the area of complete community involvement in an all-out campaign to stimulate student motivation for success.

MR. FOGARTY. Are there any States or cities that are doing outstanding jobs in this area?

MR. FEATHERSTON. New York City has had a project for several years and that is being expanded this year to more schools. There are also several other cities, including Chicago, which have very active programs in this field. I would say most of the cities are quite active on this problem.

MR. McMURRIN. As an example, Mr. Chairman, a large program has recently been started, involving the entire community of Los Angeles, to overcome the dropout problem. The general pattern on this is to enlist people from business, industry, as well as from education and all branches of the local government to work together to try to defeat the dropout problem by providing adequate employment, especially part-time employment.

MR. FOGARTY. The dropout problem has a serious impact on the job situation, too?

MR. McMURRIN. Very serious; very serious.

The largest single factor probably in producing delinquency at the present time, taking the Nation as a whole, is the number of students who have dropped out of school at an early age and do not have jobs.

MR. FOGARTY. What about those who have dropped out of school and are out for 5, 6, or 7 years? What facilities are available for them if they find out a little later on in life that they have to have at least a high school education and they want to go back to school?

MR. FEATHERSTON. Many of them do go back to schools. There are training centers in large cities adapted to that kind of a student.

DENVER OPPORTUNITY SCHOOL

MR. FOGARTY. What about that opportunity school in Denver, Colo.? Is that something new or is it just getting a little wider publicity recently.

MR. ARNOLD. It is quite an old school founded by Emily Griffith in Denver and has followed a pattern that people used to call a cafeteria-style school whereby one may be admitted at any time and where there is a great variety of occupational training offerings. It is one of the most successful vocational schools in the country in this regard. The Milwaukee Vocational & Adult School also has served

many people for years, such as out-of-school youth and other young people and adults who are making an effort to acquire a salable skill or to increase their skills and knowledge.

RETENTION RATE OF PUPILS ENTERING FIFTH GRADE

Mr. HUGHES. In response to your first question, Mr. Chairman, I do have a chart here which shows the retention rate of students graduating from high school and this has gradually been improving. Of course, as enrollments grow the overall number of dropouts might increase but the retention rates of the schools are increasing, percentage-wise.

Mr. FOGARTY. Supply for the record what the trends are.

Mr. HUGHES. Yes, sir.

(The requested information follows:)

Year of entrance into 5th grade ¹	Retention rate by grade per 1,000 pupils who entered 5th grade									Year of graduation	1st-time college students
	5th	6th	7th	8th	9th	10th	11th	12th	High school graduates		
1923-----	1,000	893	782	719	582	441	347	310	270	1931	122
1924-----	1,000	911	798	741	612	470	384	344	302	1932	118
1925-----	1,000	911	815	745	642	509	421	370	316	1933	112
1926-----	1,000	919	824	754	677	552	453	400	333	1934	129
1927-----	1,000	928	834	779	714	588	485	415	355	1935	135
1928-----	1,000	939	847	805	736	624	498	432	378	1936	137
1929-----	1,000	954	861	825	760	647	521	454	403	1937	139
1930-----	1,000	943	872	824	770	652	529	463	417	1938	148
1931-----	1,000	929	884	818	780	651	546	481	432	1939	154
1932-----	1,000	935	889	831	786	664	570	510	455	1940	160
1933-----	1,000	944	895	836	792	688	594	489	462	1941	142
1934-----	1,000	953	892	842	803	711	610	512	467	1942	129
1935-----	1,000	946	889	839	814	725	587	466	439	1943	119
1936-----	1,000	954	895	849	839	704	554	425	393	1944	121
1937-----	1,000	954	901	850	811	679	519	428	398	1945	(2)
1938-----	1,000	955	908	853	796	655	532	444	419	1946	(2)
1939-----	1,000	963	916	846	781	673	552	476	450	1947	(2)
1940-----	1,000	968	910	836	781	697	566	507	481	1948	(2)
1941-----	1,000	952	905	834	789	698	581	514	488	1949	(2)
1942-----	1,000	954	909	847	807	713	604	539	505	1950	203
1943-----	1,000	972	914	870	827	745	630	557	524	1951	218
1944-----	1,000	952	929	858	848	748	650	549	522	1952	234
1945-----	1,000	959	944	875	872	766	662	552	524	1953	266
1946-----	1,000	954	945	919	872	775	641	583	553	1954	283
1947-----	1,000	971	948	919	858	748	670	594	559	1955	286
1948-----	1,000	984	956	929	863	795	706	619	581	1956	301
1949-----	1,000	984	967	918	874	795	698	614	574	1957	303
1950-----	1,000	981	968	921	886	809	709	632	582	1958	308
1951 (p)-----	1,000	981	965	937	890	820	719	640	593	1959	313
1952 (p)-----	1,000	974	965	936	904	838	733	653	604	1960	319

¹ Data for 48 States and District of Columbia.

² Lack of detailed information regarding veteran students makes the calculation of retention rates unreliable.

Source: U.S. Department of Health, Education, and Welfare; Office of Education; "Biennial Survey of Education in the United States," ch. 1, "Statistical Summary of Education." Circular No. 193, "Survival Rates of Pupils," discusses the methodology involved. These retention rates are approximate only. Rates for the 5th grade through high school graduation are based on enrollments in successive grades in successive years in public elementary and secondary schools, and are adjusted to include estimates for nonpublic schools. Rates for 1st-time college enrollment are based on data supplied to the Office of Education by institutions of higher education.

NORTH CAROLINA INDUSTRIAL EDUCATION CENTERS

Mr. FOGARTY. Is there any State out of the 50 that is outstanding in this area?

Mr. McMURRIN. Mr. Chairman, do you mean outstanding in the sense that it has few dropouts, or because it is doing a good job in handling those that are out and in getting them back?

Mr. FOGARTY. Both.

Mr. ARNOLD. I think perhaps presently North Carolina would be outstanding in this regard in that they are completing a statewide plan for constructing 20 industrial educational centers. These are located strategically throughout the State.

Mr. FOGARTY. What do you call an industrial education center?

Mr. ARNOLD. In this case they are really trade and technical schools although they are moving beyond the industrial field now and moving into some vocational, agricultural, and distributive education programs. In this respect, industrial education is almost a misnomer already. The 15th of these schools was dedicated last week and although they are classified as post-highschool type of training, out-of-school youth may be admitted to them to acquire skill in a trade or technical occupation. There are 5 of these 15 now initiating agricultural education programs. The centers serve a greater number of people in wider areas in the State.

Mr. FOGARTY. I have never been convinced that trade, or so-called technical schools are always a good thing. I thought it was just about the last place for a person to go before he dropped out entirely. At least, that is true of some of those I have seen.

Mr. ARNOLD. I might say that all of these programs are based on surveys of industrial needs and the centers are new. They are very well equipped and the staffs are quite competent. Incidentally, the salaries are high enough to attract men out of industry as instructors. The graduates do not come out after 2-year programs as so-called journeymen. In many cases, they are equivalent to about the beginning of a second-year or third-year apprentice, depending on their ability. In some cases, their programs are tied in with the joint apprenticeship committees, so that their progress has been evaluated.

Mr. FOGARTY. Some schools give the impression that after a couple of years it will give them enough training to go out into competition in the technical fields, and that is not right?

Mr. ARNOLD. No. Any good thinking professional vocational educator would not contend this for his school.

Mr. FOGARTY. It has happened in many schools?

Mr. ARNOLD. Yes.

SCHOOL DROPOUT STATISTICS

Mr. CORNETT. Mr. Chairman, on the dropout question, if you will let me give you some figures from memory, though I am not sure of them, I am sure of their reasonable accuracy and that they illustrate the trend.

In 1950, of each thousand children who entered the fifth grade, 886 were in the ninth grade 4 years later; 582 finished high school at

the appropriate time and 308 entered college the following fall. That is for the group who were in the fifth grade in 1950.

Two years later, of each 1,000 from the 1952 group, and this is nationwide, 904, rather than 886, remained in the ninth grade and 604, or 612—I cannot remember the exact number—finished high school. I know that of these, 319, compared with 308, 2 years before, entered college in the fall of 1960 on schedule.

You see the difference in those parallel data just 2 years apart. The percentage that finished each level has increased, so that there is evidence of a lowering of the dropout rate.

I can give you the exact figures in the record, but these are not significantly in error.

COLLEGE ENTRANCE PROBLEMS

Mr. FOGARTY. I took something out of the U.S. News & World Report magazine a while ago, an article by Dr. Conant, in which he says that—

Are our youngsters preparing for the wrong colleges? Are the goals you have set actually a handicap to your child? One of the Nation's foremost educators has made a detailed study of the trends in precollege education and as the result of some hard training, he had this advice for both parents and children trying to set an educational course for the future.

It is getting to be a confusing problem for parents, is it not, as to where to send their children to college?

Mr. McMURRIN. It is a very confusing thing.

Mr. FOGARTY (reading):

With colleges changing and big name eastern colleges becoming more and more oriented to the gifted few * * * the problem comes to cases where parental ambitions outrun the offsprings' ability.

Are you familiar with that article?

Mr. McMURRIN. I am not familiar with that article, Mr. Chairman, but I have some familiarity with some of the ideas in the article. One of the big problems is that education in our country—

Mr. FOGARTY. That is dated November 1, 1961.

Mr. McMURRIN. Education has very often become a symbol of social status. Whether or not a child is going to go to college, quite apart from his qualifications, is sometimes determined in terms of the social status that will result. This creates very large problems for the individual as well as for the colleges.

As you are aware, the Office of Education is interested in establishing a college information center. This is something that we believe the Nation rather badly needs, a center to which institutions and individuals can write to obtain information of all kinds on colleges, their programs, financial aspects of college education, and to get this information on a relative basis so that it is possible for a person to make some kind of a judgment on the higher education of his child.

SCHOOL YEARS COMPLETED BY AVERAGE PERSON

Mr. FOGARTY. What is the level of education of the average person in our population now, and how does it compare with 5 years ago, or 10 years ago?

Mr. McMURRIN. Can you give us that?

Mr. CORNETT. I do not have that.

Mr. FOGARTY. Supply that.

Mr. PATEROS. We can put that in the record, Mr. Chairman.

Mr. FOGARTY. All right.

Mr. CORNETT. I can say it has increased.

(The requested information follows:)

Years of school completed by persons 25 years old and over ³

Graduates 2		College			Millions of persons				Percent					
Year 1	High school		Percent of population 15+ years	Millions	Percent of population 20+ years	Population 25+ years	No school through elementary		High school	College	No school through elementary		High school	College
	Millions	Percent of population 15+ years					0-4	5-8			0-4	5-8		
BOTH SEXES														
1940-----	25.7	26.0		3.9	4.5	87.5	9.8	32.6	33.3	11.9	11.2	37.2	38.1	13.5
1950-----	38.3	35.0		6.0	6.0	99.0	8.0	30.5	44.8	15.7	8.1	30.8	45.3	15.8
1960-----	51.6	41.7		8.1	7.3	110.0	6.4	26.0	57.3	20.4	5.7	23.6	52.1	18.5
1970(A)-----	70.3	48.0		10.8	8.5	110.0	6.4	26.0	57.1	20.0	5.9	24.1	51.9	18.2
(B)-----						130.8	5.2	21.5	76.0	28.2	3.9	16.4	58.1	21.6
1980(A)-----	95.1	54.7		14.9	9.8	130.8	5.4	22.8	75.8	26.8	4.1	17.4	57.9	20.5
(B)-----														
MALES														
1940-----	11.8	24.0		2.3	5.2	42.6	5.2	16.4	14.9	6.1	12.3	38.4	35.0	14.3
1950-----	17.6	32.9		3.4	7.0	47.8	4.3	15.2	19.9	8.5	8.8	31.8	41.6	17.8
1960-----	24.0	39.7		4.8	9.0	52.6	3.3	12.8	25.0	11.4	6.4	24.3	47.6	21.6
1970(A)-----	32.5	45.7		6.5	10.7	52.6	3.4	13.0	25.1	11.1	6.4	24.7	47.7	21.1
(B)-----						62.5	2.8	10.5	32.9	16.3	4.4	16.8	52.7	26.1
1980(A)-----	43.9	52.0		9.2	12.6	62.5	2.9	11.2	33.0	15.4	4.6	17.9	52.8	24.6
(B)-----														
FEMALES														
1940-----	13.8	28.0		1.6	3.7	44.9	4.5	16.2	18.4	5.7	10.1	36.1	40.9	12.8
1950-----	20.7	36.9		2.6	5.1	51.2	3.8	15.3	24.9	7.2	7.3	29.8	48.8	14.0
1960-----	27.6	43.5		3.3	5.8	57.5	3.0	13.2	32.3	9.0	5.2	22.9	56.2	15.6
1970(A)-----	37.8	50.1		4.3	6.5	57.5	3.0	13.5	32.1	8.9	5.3	23.5	55.8	15.4
(B)-----						68.2	2.4	10.9	43.1	11.8	3.5	16.0	63.1	17.3
1980(A)-----	51.2	57.2		5.7	7.2	68.2	2.5	11.6	42.8	11.4	3.6	17.0	62.7	16.7
(B)-----														

¹ Spring of year.² Persons who have completed 4 or more years.³ Data pertain to "regular" day or night schooling applicable toward a diploma or degree.

net annual immigration of 300,000 persons. A cohort technique of applying projected percentage distributions by attainment for 5-year age groups to projected numbers of males and females in those respective age groups determined the educational experience at each future date of each age-sex group which had already completed its formal education. The probable future educational attainment of persons yet to complete their schooling was based on different assumptions regarding continuation of past trends or present levels. The projected percentage distributions by educational attainment were then applied to projections of the population at each date to obtain the numbers of persons expected to attain various levels of education.

Source: U.S. Department of Commerce, Bureau of the Census: Series P-20, No. 91, "Projections of Educational Attainment in the United States: 1960 to 1980," January 12, 1959, includes assumptions, methodology, and definitions. *Current Population Reports*, Series P-25, No. 187, supplied basic July 1 population projections, series II, assuming continuation of fertility at the 1955-57 level, gradually declining mortality, and

The median number of school years completed by the population 25 years of age and over in March 1959 was 11.0. This may be compared with 10.6 years in March 1957, 10.1 years in October 1952, and 9.3 years in April 1950.

The median number of school years completed by the population 25 to 29 years of age was 12.3 in March 1959, 12.2 years in October 1952, and 12.1 years in April 1950.

TRENDS IN COST OF EDUCATION

Mr. FOGARTY. What is the trend in the cost of education? It is increasing, but I do not know how much.

Mr. McMURRIN. We can supply that, too.

Mr. HUGHES. We will put both of those figures in the record, Mr. Chairman.

Mr. FOGARTY. All right.

Mr. CORNETT. Are you referring to the cost of education across the board at all levels?

Mr. FOGARTY. Yes.

(The information requested follows:)

[Dollar amounts are in millions]

School year ending ¹	Total current expenditure, capital outlay, and interest									All educational expenditures as percent of gross national product ⁶
	All levels ²			Elementary and secondary ³			Higher education ⁴			
	Total	Public	Private	Total	Public	Private ⁵	Total	Public	Private	
1920-----		1,156			1,040		267	116	151	
1930-----	3,234	2,655	578	2,601	2,366	235	632	289	343	3.3
1932-----	3,057	2,474	583	2,423	2,192	231	635	282	352	4.5
1934-----	2,374	1,955	418	1,875	1,735	140	499	220	279	3.9
1936-----	2,746	2,271	475	2,157	1,986	171	589	285	304	3.5
1938-----	3,154	2,582	572	2,469	2,250	219	685	331	354	3.6
1940-----	3,352	2,756	597	2,594	2,364	230	758	392	367	3.5
1942-----	3,369	2,740	629	2,581	2,342	239	788	398	390	2.4
1944-----	3,742	2,974	768	2,741	2,474	267	1,002	500	501	1.8
1946-----	4,436	3,482	953	3,276	2,931	345	1,160	551	609	2.2
1948-----	7,066	5,476	1,590	4,876	4,341	535	2,190	1,135	1,055	2.9
1950-----	9,335	7,312	2,023	6,672	5,883	790	2,662	1,430	1,233	3.5
1952-----	11,312	8,967	2,345	8,438	7,402	1,036	2,874	1,565	1,309	3.3
1954-----	13,950	11,084	2,866	10,536	9,172	1,364	3,414	1,912	1,502	3.9
1956-----	16,812	13,352	3,459	12,632	11,005	1,627	4,180	2,348	1,832	4.1
1958-----	21,120	16,748	4,371	15,713	13,634	2,079	5,407	3,114	2,293	4.8
1960 ⁷ -----	24,617	19,282	5,335	18,385	15,628	2,757	6,232	3,654	2,578	5.0
1961 ⁷ -----	26,564	20,800	5,764	19,852	16,844	3,008	6,712	3,956	2,756	

¹ Data include Alaska and Hawaii beginning with 1960.

² Includes capital outlay; excludes debt retirement.

³ Includes Federal schools for Indians and on Federal installations; prior to 1956, also includes residential schools for exceptional children.

⁴ Includes auxiliary enterprises and other noneducational expenditures as given in tables or footnotes of the Office of Education's "Biennial Survey of Education."

⁵ Estimated on basis of per-pupil expenditures in public elementary and secondary schools.

⁶ Adjusted to a school-year basis by averaging data for 2 calendar years concerned.

⁷ Preliminary.

Source: U.S. Department of Health, Education, and Welfare; Office of Education; "Biennial Survey of Education in the United States," ch. 1, "Statistical Summary of Education."

SOURCE OF INCOME TO INSTITUTIONS OF HIGHER LEARNING

Mr. FOGARTY. Are most of these increased costs passed on to the student in higher tuition, or are they borne by Government and other sources of income?

Mr. McMURRIN. We can furnish that information, I am sure, Mr. Chairman.

Mr. CORNETT. I might say, Mr. Chairman, that all of the sources of income have increased and in private institutions there has been a slight increase in the share of income derived from the students, so that tuition has increased more than the total cost of instruction. (The information requested follows:)

[Millions of dollars]

School year ending ¹	Current income by source								Plant fund receipts
	Total	Educational and general						Auxiliary enter- prises and student aid income ³	
		Student fees	Government			Private gifts and grants and endow- ment earnings	Sales, services and other ²		
			Total	State and local	Federal				
1920 -----	200	42	75	4 62	5 13	34	22	27	-----
1930 -----	555	144	172	151	21	95	73	71	82
1932 -----	566	151	175	175	(⁶)	91	36	114	56
1934 -----	486	138	138	118	20	83	30	98	42
1936 -----	598	158	184	141	43	97	52	106	-----
1938 -----	653	179	192	163	29	108	43	131	58
1940 -----	715	201	215	176	39	112	44	144	66
1942 -----	784	201	252	194	58	120	53	157	30
1944 -----	1, 047	154	510	202	308	126	74	184	23
1946 -----	1, 169	214	453	256	197	167	90	244	122
1948 -----	2, 027	305	926	400	526	178	129	489	365
1950 -----	2, 375	395	1, 077	553	524	215	147	541	529
1952 -----	2, 562	447	1, 134	683	451	263	177	542	356
1954 -----	2, 946	551	1, 245	828	417	318	223	607	469
1956 -----	3, 603	722	1, 475	985	490	390	272	744	821
1958 -----	4, 641	934	1, 975	1, 268	707	506	317	909	1, 221

PERCENTAGE DISTRIBUTION OF INCOME BY SOURCE

1920	100	21	38	31	7	17	11	14	-----
1930	100	26	31	27	4	17	13	13	-----
1940	100	28	30	25	6	16	6	20	-----
1950	100	17	45	23	22	9	6	23	-----
1956	100	20	41	27	14	11	8	21	-----
1958	100	20	43	27	15	11	7	20	-----

¹ Data for 48 States and District of Columbia.

² Includes income from organized activities related to instructional departments and such miscellaneous income as interest on current funds, rent from institutional property, transcript fees, and library fines.

³ Auxiliary enterprises are enterprises operated primarily for service to students and staff and are intended to be self-supporting. They include student dormitories, dining halls, cafeterias, bookstores, faculty housing, intercollegiate athletic programs, and university presses. Student-aid income is that for scholarships, fellowships, and prizes.

⁴ May also include Federal funds for teachers colleges and normal schools.

⁵ Universities, colleges, and professional schools only; teachers colleges and normal schools omitted.

⁶ Included in State and local.

Source: U.S. Department of Health, Education, and Welfare; Office of Education; Biennial Survey of Education in the United States, Statistics of Higher Education: Receipts, Expenditures and property, published since 1950 as ch. 4, sec. II.

TRENDS IN TEACHER SALARIES

Mr. FOGARTY. What is the trend in teachers' salaries?

Mr. FLYNT. They have been moving up steadily at the rate of about 4.5 percent a year. That is the rate of increase.

Mr. FOGARTY. That is not enough, is it?

Mr. McMURRIN. It is not enough to do the job that needs to be done.

Mr. FLYNT. Mr. Chairman, the average income is about \$5,200 and this compares unfavorably with the starting salary of engineers, which exceeds \$8,000 a year.

Mr. FOGARTY. Mr. Denton?

CONSOLIDATION OF GOVERNMENT EDUCATIONAL ACTIVITIES

Mr. DENTON. There has been a lot of talk about consolidating all of the education facilities of the Government into one agency.

Does your Department take a position on the Indian education question, the education of children on defense bases and matters of that kind?

Mr. McMURRIN. We do not have an official position, sir. We have certainly given it considerable thought. I presume you are referring to all cases of the kind you have just indicated?

Mr. DENTON. Yes.

Mr. McMURRIN. That is, the actual operation of educational facilities?

Mr. DENTON. That is right.

Mr. McMURRIN. Yes, we have given much attention to the problem but we have no official position on it as yet.

Mr. DENTON. I am interested in that because I am on another committee that deals with the education of Indians and that question has been raised a number of times as to why that should not be under the Department of Education.

Mr. McMURRIN. Yes.

Mr. DENTON. I do not think the Department of the Interior favors it. Do you have any position on that?

Mr. McMURRIN. We have taken no official position. We may have some opinions in the group here that would be of interest to you.

Mr. DENTON. What is your opinion on that then?

Mr. McMURRIN. I personally am not well enough acquainted with the Federal Government's operation of Indian schools to have an opinion on it, so that I would rather not express an opinion. I am aware that the Office of Education is involved in certain ways in the operation of some schools on Federal facilities. We have the Department of the Interior and the Defense Department involved, but to what extent they should be consolidated under the Office of Education, I would not be able to say.

OFFICE OF EDUCATION'S RESPONSIBILITY FOR SCHOOL OPERATIONS

Mr. DENTON. They raise the question that your Department does not operate schools but acts in an advisory capacity and in distributing Federal funds. It is a different function you perform.

Mr. McMURRIN. We do have the one function I mentioned in school operation and perhaps Mr. Grigsby would comment on that.

Mr. GRIGSBY. As you know, Mr. Denton, under Public Law 874, in case the State and local revenues may not be expended for the education of children who reside on Federal property, the Commissioner is mandated to make arrangements for their education and provide the funds for the operation of schools. That has been done in approximately 45 situations for approximately 45,000 children who reside largely on military installations. In a few States where, under State law, the Federal property is under exclusive Federal jurisdiction, this is regarded as not being a part of the State for purposes of free public education. Our law specifically requires that the Commissioner, in making these arrangements, make the arrangements

either with the Federal agency controlling the property on which the children reside, or with a local educational agency.

What we do, in effect, is merely to approve a budget for the transfer of funds appropriated to the Office of Education under Public Law 874, but the actual operation of these schools in most instances, is by the Federal agency controlling the property.

For example, the Department of the Army will employ the teachers and the superintendent, set up the school program, and operate it as in the case of Fort Benning, Ga., for elementary children residing on that base, but we are not in the direct operation of these schools in the usual sense of employing teachers, determining courses of study, curriculum, and matters of that sort.

We do have the responsibility in connection with the approval of a budget for the school operation and the transfer of the funds to carry it on.

Mr. DENTON. Do you think it would be more efficient to transfer that to your Department?

OPERATION OF INDIAN AND MILITARY RESERVATION SCHOOLS

Mr. GRIGSBY. The responsibility for the actual operation of the schools?

Mr. DENTON. Yes; let us say the Fort Benning, Ga., school and the Navajo Reservation. Do you think it would be better if we had it operating under you instead of the Department of the Interior and the Department of the Army?

Mr. GRIGSBY. Fort Benning and the Navajo Reservation are quite different situations.

Mr. DENTON. But both of them have schools operated by another branch of the Government and that is why I spoke about them.

Mr. GRIGSBY. My personal view is that so far as the operation of these residential schools, or day schools on Indian reservations, are concerned, presently operated by the Bureau of Indian Affairs—

Mr. DENTON. They are mostly boarding schools?

Mr. GRIGSBY. Boarding schools, but they have some day schools.

Mr. DENTON. Yes, I know.

Mr. GRIGSBY. They are operated with appropriations made to the Department of Interior, Bureau of Indian Affairs. They are federally operated and the teachers are recruited, employed, and the whole staff of the whole operation is a Federal operation. My own personal opinion, and this is merely a personal opinion and perhaps not too well informed, has been that because this whole problem of Indian education is so much tied up with land management, with problems of welfare and of health, and other aspects, that there are probably a great many problems in connection with the operation of these schools by an educational agency divorced from the land management and other aspects of Indian welfare, that would make it a real question as to whether or not there would be any advantage in having those schools operated by an educational agency rather than an agency for Indian affairs.

Mr. DENTON. I take it, then, you think it would not be advisable to transfer the Indian education to your Department?

Mr. GRIGSBY. I would say—

Mr. LAIRD. Mr. Grigsby is making the argument, it seems to me, for changing the Indian Health Service back to the Department of Interior.

Mr. DENTON. I do not think that is quite the same question.

Mr. McMURRIN. May I say that there is presently, as you may know, a National Committee for Children and Youth that is making a study of this whole problem of Indian schools as a followup to the recommendations of the 1960 White House Conference on Children and Youth. We have advised this committee that we would be entirely receptive to a proposition that the operation of the schools be placed under the Office of Education but have not made an official proposal that this be done.

As Mr. Grigsby indicated, there are certain gains that might be made, and certain problems incurred, from such a transfer.

Mr. DENTON. Do you have any idea in how many States the Indians have been brought under the public school system?

Mr. GRIGSBY. I think they have been brought in partially in most of the States and, in some instances, they are wholly within the public school system.

Mr. DENTON. What about the Defense Department schools? What do you think about them?

Mr. GRIGSBY. Those are schools primarily for the education of dependents of military personnel stationed overseas.

Mr. DENTON. You do have some in this country? You spoke of Fort Benning, Ga., and you have schools on the reservation there, do you not?

Mr. GRIGSBY. Yes, sir; but the bulk of the educational program for the dependents of military personnel, which is operated directly by the military services for dependents of military personnel stationed overseas—

PAYMENTS TO LAND GRANT COLLEGES

Mr. DENTON. With regard to the land grant colleges. How much did you formerly pay to each one of those schools under the old law?

Mr. CORNETT. I can furnish that information. Money is distributed to the States rather than to the land grant colleges. The grants are made to the States and the States give them to the institutions. In some States the money is divided between two institutions so the amount varies.

Mr. DENTON. How much did we increase the grant to each one of those schools last year?

Mr. CORNETT. Different amounts to different students, but the flat grants were increased from \$20,000 to \$90,000 per State which in many cases means that that was the increase to an individual school. The proposed increase for fiscal 1963 is to raise that to \$150,000 to each State in the flat grants. In addition to the grants, which are the same amount for each State, we have the variable grants which are made according to population in the various States. That varies from a low of around \$4,500 for Alaska in last year's allotment, to the one for New York of \$334,000.

The proposed increase for 1963 means that would go up to \$5,375 for Alaska and \$398,000 for New York.

Mr. DENTON. Put a chart in the record at this point showing how much you gave to each State under the old law.

Mr. KELLY. This is shown on pages 26, 27, and 28 of the justifications.

Indiana received \$109,024 in 1961, and in 1962, \$232,884, and in 1963, the budget calls for \$310,822.

Mr. DENTON. Will you put the charts on pages 26, 27, and 28 in the record?

Mr. KELLY. Yes, sir.

(The matter referred to follows:)

1961 Actual Obligations—Allotment of funds to States and territories for land-grant colleges and universities (colleges of agriculture and mechanic arts)

State or territory	Total	Morrill-Nelson funds ¹	Bankhead-Jones funds ²		
			Total	Uniform grants	Variable grants ³
Total.....	\$5,051,500.00	\$2,550,000	\$2,501,500.00	\$1,000,000	\$1,501,500.00
Alabama ⁴	100,541.43	50,000	50,541.43	20,000	30,541.43
Alaska.....	71,283.24	50,000	21,283.24	20,000	1,283.24
Arizona.....	77,477.26	50,000	27,477.26	20,000	7,477.26
Arkansas ⁴	89,047.71	50,000	39,047.71	20,000	19,047.71
California.....	175,599.47	50,000	125,599.47	20,000	105,599.47
Colorado.....	83,218.00	50,000	33,218.00	20,000	13,218.00
Connecticut.....	90,022.98	50,000	40,022.98	20,000	20,022.98
Delaware ⁴	73,172.96	50,000	23,172.96	20,000	3,172.96
Florida ⁴	97,644.26	50,000	47,644.26	20,000	27,644.26
Georgia ⁴	104,360.28	50,000	54,360.28	20,000	34,360.28
Hawaii.....	74,985.53	50,000	24,985.53	20,000	4,985.53
Idaho.....	75,871.76	50,000	25,871.76	20,000	5,871.76
Illinois.....	156,905.51	50,000	106,905.51	20,000	86,905.51
Indiana.....	109,244.59	50,000	59,244.59	20,000	39,244.59
Iowa.....	96,145.67	50,000	46,145.67	20,000	26,145.67
Kansas.....	89,005.70	50,000	39,005.70	20,000	19,005.70
Kentucky ⁴	99,374.97	50,000	49,374.97	20,000	29,374.97
Louisiana ⁴	96,768.55	50,000	46,768.55	20,000	26,768.55
Maine.....	79,115.06	50,000	29,115.06	20,000	9,115.06
Maryland ⁴	93,371.85	50,000	43,371.85	20,000	23,371.85
Massachusetts.....	116,788.72	50,000	66,788.72	20,000	46,788.72
Michigan.....	133,559.50	50,000	83,559.50	20,000	63,559.50
Minnesota.....	99,750.80	50,000	49,750.80	20,000	29,750.80
Mississippi ⁴	81,735.06	50,000	31,735.06	20,000	11,735.06
Missouri ⁴	109,448.37	50,000	59,448.37	20,000	39,448.37
Montana.....	75,895.57	50,000	25,895.57	20,000	5,895.57
Nebraska.....	83,222.20	50,000	33,222.20	20,000	13,222.20
Nevada.....	71,596.86	50,000	21,596.86	20,000	1,596.86
New Hampshire.....	75,319.18	50,000	25,319.18	20,000	5,319.18
New Jersey.....	118,233.27	50,000	68,233.27	20,000	48,233.27
New Mexico.....	76,794.96	50,000	26,794.96	20,000	6,794.96
New York.....	217,933.81	50,000	167,933.81	20,000	147,933.81
North Carolina ⁴	110,518.47	50,000	60,518.47	20,000	40,518.47
North Dakota.....	76,180.98	50,000	26,180.98	20,000	6,180.98
Ohio.....	149,269.02	50,000	99,269.02	20,000	79,269.02
Oklahoma ⁴	92,278.07	50,000	42,278.07	20,000	22,278.07
Oregon.....	85,175.65	50,000	35,175.65	20,000	15,175.65
Pennsylvania.....	174,719.55	50,000	124,719.55	20,000	104,719.55
Puerto Rico.....	50,000.00	50,000	-----	-----	-----
Rhode Island.....	77,899.30	50,000	27,899.30	20,000	7,899.30
South Carolina ⁴	91,117.72	50,000	41,117.72	20,000	21,117.72
South Dakota.....	76,511.20	50,000	26,511.20	20,000	6,511.20
Tennessee ⁴	102,835.48	50,000	52,835.48	20,000	32,835.48
Texas ⁴	146,920.54	50,000	96,920.54	20,000	76,920.54
Utah.....	76,871.52	50,000	26,871.52	20,000	6,871.52
Vermont.....	73,768.09	50,000	23,768.09	20,000	3,768.09
Virginia ⁴	103,104.43	50,000	53,104.43	20,000	33,104.43
Washington.....	93,730.58	50,000	43,730.58	20,000	23,730.58
West Virginia ⁴	90,005.74	50,000	40,005.74	20,000	20,005.74
Wisconsin.....	104,260.50	50,000	54,260.50	20,000	34,260.50
Wyoming.....	72,898.08	50,000	22,898.08	20,000	2,898.08

¹ Continuing appropriation, act approved Aug. 30, 1890, as amended; and act approved Mar. 4, 1907.

² Authorized appropriation, act approved June 29, 1935, as amended June 12, 1952.

³ Based upon the U.S. Census of Population, 1950.

⁴ The land-grant college for Negroes in this State receives a stipulated proportion of funds.

*Allotment of funds to States and possessions for land-grant colleges and universities
(colleges of agriculture and mechanic arts), fiscal year 1962*

States or possessions	Total	Morrill-Nelson funds ¹	Bankhead-Jones funds ²		
			Total	Uniform grants	Variable grants ³
Total.....	\$10,744,000.00	\$2,550,000	\$8,194,000.00	\$4,590,000	\$3,604,000.00
Alabama ⁴	205,078.83	50,000	155,078.83	90,000	65,078.83
Alaska.....	144,505.62	50,000	94,505.62	90,000	4,505.62
Arizona.....	165,941.19	50,000	115,941.19	90,000	25,941.19
Arkansas ⁴	175,585.48	50,000	125,585.48	90,000	35,585.48
California.....	453,112.54	50,000	403,112.54	90,000	313,112.54
Colorado.....	174,941.51	50,000	124,941.51	90,000	34,941.51
Connecticut.....	190,506.03	50,000	140,506.03	90,000	50,506.03
Delaware ⁴	148,890.87	50,000	98,890.87	90,000	8,890.87
Florida ⁴	238,643.22	50,000	188,643.22	90,000	98,643.22
Georgia ⁴	218,553.35	50,000	168,553.35	90,000	78,553.35
Hawaii.....	152,605.86	50,000	102,605.86	90,000	12,605.86
Idaho.....	153,291.54	50,000	103,291.54	90,000	13,291.54
Illinois.....	340,833.24	50,000	290,833.24	90,000	200,833.24
Indiana.....	232,884.63	50,000	182,884.63	90,000	92,884.63
Iowa.....	194,934.67	50,000	144,934.67	90,000	54,934.67
Kansas.....	183,401.51	50,000	133,401.51	90,000	43,401.51
Kentucky ⁴	200,525.06	50,000	150,525.06	90,000	60,525.06
Louisiana ⁴	204,885.23	50,000	154,885.23	90,000	64,885.23
Maine.....	159,309.35	50,000	109,309.35	90,000	19,309.35
Maryland ⁴	201,770.82	50,000	151,770.82	90,000	61,770.82
Massachusetts ⁴	242,568.14	50,000	192,568.14	90,000	102,568.14
Michigan.....	295,850.89	50,000	245,850.89	90,000	155,850.89
Minnesota.....	208,009.78	50,000	158,009.78	90,000	68,009.78
Mississippi ⁴	183,392.15	50,000	133,392.15	90,000	43,392.15
Missouri ⁴	226,057.78	50,000	176,057.78	90,000	86,057.78
Montana.....	153,442.47	50,000	103,442.47	90,000	13,442.47
Nebraska.....	168,116.01	50,000	118,116.01	90,000	28,116.01
Nevada.....	145,683.21	50,000	95,683.21	90,000	5,683.21
New Hampshire.....	152,090.86	50,000	102,090.86	90,000	12,090.86
New Jersey.....	260,860.27	50,000	210,860.27	90,000	120,860.27
New Mexico.....	158,945.94	50,000	108,945.94	90,000	18,945.94
New York.....	474,331.09	50,000	424,331.09	90,000	334,331.09
North Carolina ⁴	230,766.10	50,000	180,766.10	90,000	90,766.10
North Dakota.....	152,599.36	50,000	102,599.36	90,000	12,599.36
Ohio.....	333,367.39	50,000	283,367.39	90,000	193,367.39
Oklahoma ⁴	186,383.25	50,000	136,383.25	90,000	46,383.25
Oregon.....	175,235.15	50,000	125,235.15	90,000	35,235.15
Pennsylvania.....	365,500.38	50,000	315,500.38	90,000	225,500.38
Puerto Rico.....	186,806.78	50,000	136,806.78	90,000	46,806.78
Rhode Island.....	157,122.41	50,000	107,122.41	90,000	17,122.41
South Carolina ⁴	187,465.19	50,000	137,465.19	90,000	47,465.19
South Dakota.....	153,556.96	50,000	103,556.96	90,000	13,556.96
Tennessee ⁴	211,062.28	50,000	161,062.28	90,000	71,062.28
Texas ⁴	330,842.92	50,000	280,842.92	90,000	190,842.92
Utah.....	157,742.75	50,000	107,742.75	90,000	17,742.75
Vermont.....	147,767.07	50,000	97,767.07	90,000	7,767.07
Virginia ⁴	219,028.15	50,000	169,028.15	90,000	79,028.15
Washington.....	196,840.71	50,000	146,840.71	90,000	56,840.71
West Virginia.....	177,062.65	50,000	127,062.65	90,000	37,062.65
Wisconsin.....	218,725.90	50,000	168,725.90	90,000	78,725.90
Wyoming.....	146,575.46	50,000	96,575.46	90,000	6,575.46

¹ Continuing appropriation. Act approved Aug. 30, 1890, as amended; and act approved Mar. 4, 1907.

² Based on 1962 budget estimate. Act approved June 29, 1935, as amended June 12, 1952, and July 14, 1960.

³ Based on 1960 U. S. census of population.

⁴ 2 land-grant institutions in this State receive a stipulated proportion of the funds allotted.

Allotment of funds to States and possessions for land-grant colleges and universities (colleges of agriculture and mechanic arts), fiscal year 1963

State or possessions	Total	Morrill-Nelson funds ¹	Bankhead-Jones funds ²		
			Total	Uniform grants	Variable grants ³
Total-----	\$14, 500, 000. 00	\$2, 550, 000	\$11, 950, 000. 00	\$7, 650, 000	\$4, 300, 000. 00
Alabama ⁴ -----	277, 646. 77	50, 000	227, 646. 77	150, 000	77, 646. 77
Alaska-----	205, 375. 74	50, 000	155, 375. 74	150, 000	5, 375. 74
Arizona-----	230, 950. 92	50, 000	180, 950. 92	150, 000	30, 950. 92
Arkansas ⁴ -----	242, 457. 70	50, 000	192, 457. 70	150, 000	42, 457. 70
California-----	573, 580. 45	50, 000	523, 580. 45	150, 000	373, 580. 45
Colorado-----	241, 689. 37	50, 000	191, 689. 37	150, 000	41, 689. 37
Connecticut-----	260, 259. 69	50, 000	210, 259. 69	150, 000	60, 259. 69
Delaware ⁴ -----	210, 607. 86	50, 000	160, 607. 86	150, 000	10, 607. 86
Florida ⁴ -----	317, 693. 07	50, 000	267, 693. 07	150, 000	117, 693. 07
Georgia ⁴ -----	293, 723. 48	50, 000	243, 723. 48	150, 000	93, 723. 48
Hawaii-----	215, 040. 29	50, 000	165, 040. 29	150, 000	15, 040. 29
Idaho-----	215, 858. 39	50, 000	165, 858. 39	150, 000	15, 858. 39
Illinois-----	439, 617. 91	50, 000	389, 617. 91	150, 000	239, 617. 91
Indiana-----	310, 822. 39	50, 000	260, 822. 39	150, 000	110, 822. 39
Iowa-----	265, 543. 59	50, 000	215, 543. 59	150, 000	65, 543. 59
Kansas-----	251, 783. 16	50, 000	201, 783. 16	150, 000	51, 783. 16
Kentucky ⁴ -----	272, 213. 59	50, 000	222, 213. 59	150, 000	72, 213. 59
Louisiana ⁴ -----	277, 415. 79	50, 000	227, 415. 79	150, 000	77, 415. 79
Maine-----	223, 038. 35	50, 000	173, 038. 35	150, 000	23, 038. 35
Maryland ⁴ -----	273, 699. 93	50, 000	223, 699. 93	150, 000	73, 699. 93
Massachusetts ⁴ -----	322, 375. 97	50, 000	272, 375. 97	150, 000	122, 375. 97
Michigan-----	385, 948. 61	50, 000	335, 948. 61	150, 000	185, 948. 61
Minnesota-----	281, 143. 75	50, 000	231, 143. 75	150, 000	81, 143. 75
Mississippi ⁴ -----	251, 771. 99	50, 000	201, 771. 99	150, 000	51, 771. 99
Missouri-----	302, 677. 15	50, 000	252, 677. 15	150, 000	102, 677. 15
Montana-----	216, 038. 46	50, 000	166, 038. 46	150, 000	16, 038. 46
Nebraska-----	233, 545. 74	50, 000	183, 545. 74	150, 000	33, 545. 74
Nevada-----	206, 780. 74	50, 000	156, 780. 74	150, 000	6, 780. 74
New Hampshire-----	214, 425. 84	50, 000	164, 425. 84	150, 000	14, 425. 84
New Jersey-----	344, 200. 66	50, 000	294, 200. 66	150, 000	144, 200. 66
New Mexico-----	222, 604. 76	50, 000	172, 604. 76	150, 000	22, 604. 76
New York-----	598, 896. 69	50, 000	548, 896. 69	150, 000	398, 896. 69
North Carolina ⁴ -----	308, 294. 73	50, 000	258, 294. 73	150, 000	108, 294. 73
North Dakota-----	215, 032. 54	50, 000	165, 032. 54	150, 000	15, 032. 54
Ohio-----	430, 710. 26	50, 000	380, 710. 26	150, 000	230, 710. 26
Oklahoma ⁴ -----	255, 340. 72	50, 000	205, 340. 72	150, 000	55, 340. 72
Oregon-----	242, 039. 72	50, 000	192, 039. 72	150, 000	42, 039. 72
Pennsylvania-----	469, 048. 73	50, 000	419, 048. 73	150, 000	269, 048. 73
Puerto Rico-----	255, 846. 05	50, 000	205, 846. 05	150, 000	55, 846. 05
Rhode Island-----	220, 429. 07	50, 000	170, 429. 07	150, 000	20, 429. 07
South Carolina ⁴ -----	256, 631. 61	50, 000	206, 631. 61	150, 000	56, 631. 61
South Dakota-----	216, 175. 06	50, 000	166, 175. 06	150, 000	16, 175. 06
Tennessee ⁴ -----	284, 785. 74	50, 000	234, 785. 74	150, 000	84, 785. 74
Texas ⁴ -----	427, 698. 26	50, 000	377, 698. 26	150, 000	227, 698. 26
Utah-----	221, 169. 21	50, 000	171, 169. 21	150, 000	21, 169. 21
Vermont-----	209, 267. 04	50, 000	159, 267. 04	150, 000	9, 267. 04
Virginia ⁴ -----	294, 289. 96	50, 000	244, 289. 96	150, 000	94, 289. 96
Washington-----	267, 817. 72	50, 000	217, 817. 72	150, 000	67, 817. 72
West Virginia-----	244, 220. 14	50, 000	194, 220. 14	150, 000	44, 220. 14
Wisconsin-----	293, 929. 34	50, 000	243, 929. 34	150, 000	93, 929. 34
Wyoming-----	207, 845. 30	50, 000	157, 845. 30	150, 000	7, 845. 30

¹ Continuing appropriation. Act approved Aug. 30, 1890, as amended; and act approved Mar. 4, 1907.

² Authorized appropriation. Act approved June 29, 1935, as amended June 12, 1952, and July 14, 1960.

³ Based on U.S. census of population.

⁴ Two land-grant institutions in this State receive a stipulated proportion of the funds allotted.

Mr. CORNETT. In that connection I think it is important to note that the increase proposed for 1963 is the second step in the increase to bring it to the total authorized by 1960 amendments to the Bankhead-Jones Act.

JOINT STUDIES ON SCHOOL DROPOUT PROBLEMS

Mr. DENTON. The Department of Labor told us they were working on this school dropout problem.

Mr. FLYNT. The Bureau of Labor Standards is working on the dropout of schoolchildren.

Mr. DENTON. Are you working on that? Is there conflict between the two of you in any way?

Mr. FLYNT. I believe we can say there is no conflict, Mr. Denton.

Mr. DENTON. Why is there not a conflict?

Mr. FLYNT. We are both trying to do a total job that is probably bigger than either one of us.

We are trying to break the problem down into its component elements. To talk about dropouts in the gross—we approach it from the research standpoint and they approach it from the labor market standpoint.

Mr. DENTON. You are both trying to do the same thing?

Mr. FLYNT. Well, they are trying to do it for the purpose of finding out what the load will be on the employment services and on unemployment compensation. We are trying to approach it from the standpoint of who it is that drops out, why there is a dropout and what we can do to stop the dropout. We have a parallel responsibility I do not think we would feel we are in conflict. We are, for example, conducting a major study. We talk of dropouts in the gross. Actually, the trend of research indicates—and we are now mounting a large-scale enterprise in this respect—that dropouts follow the socioeconomic status of the people, their educational background, their career motivations and that the incidence of dropout among girls, of course, is much greater than among boys and this has much less significance for the employment pattern than the dropout of boys. But, if we talk about dropouts in the gross, that has less educational significance than to break it up into essential pieces.

Also we are interested in it from a geographical standpoint. If it is true they drop out more in rural areas or they drop out more in the slums of the great cities, we have to find it out and apply selective remedial action.

FUNDS FOR FEDERALLY IMPACTED AREAS (PUBLIC LAW 874)

Mr. DENTON. Let us come back to Public Law 874.

I notice that they have cut your appropriations something like \$50 million. Does not \$280,322,000 represent the amount of money the schools have budgeted for this purpose?

Mr. HUGHES. Not necessarily, sir. I think in most cases the school districts budget the amount they expect to receive in a given fiscal year based on their past experience. The entitlement of a school district is usually divided between a first payment received in the current year and a final payment that is received in the ensuing year, so that a school district actually receives its funds divided into two parts: 75 percent entitlement in the current year and 25 percent in the ensuing year.

Mr. DENTON. They have cut the figure to just about what was appropriated last year.

Mr. HUGHES. The dollar amount for fiscal year 1963 is the same as the appropriation now available for fiscal year 1962.

Mr. DENTON. Why did you originally ask for \$50 million more?

Mr. HUGHES. The estimate of \$282.3 million would be the amount that would be required to fund the entitlements at 100 percent. The estimate presented here is the calculation of the formula as it exists

in the law as compared with the amount of money appropriated for fiscal year 1962.

Mr. DENTON. At what percentage did you fund it last year?

Mr. HUGHES. The funds available this year will pay the entitlements of 92 percent.

Mr. DENTON. What was the percentage last year?

Mr. HUGHES. In fiscal year 1961 the entitlements were paid 100 percent.

Mr. DENTON. What I am trying to get at is why will entitlements go up \$50 million?

Mr. HUGHES. The increase is a reflection, sir, of the fact that there is a general increase in school enrollments and costs and the federally affected school districts are sharing in those increases.

Mr. DENTON. Let me see if I get this right. Last year \$281 million paid 100 percent?

Mr. HUGHES. No, sir; \$231 million in the current year, fiscal year 1962, pays around 92 percent.

Mr. DENTON. In 1961. Did \$231 million pay 100 percent?

Mr. PATEROS. \$217.3 million paid 100 percent in 1961 under Public Law 874.

Mr. DENTON. You have \$231 million for 1962 and you are now paying at the rate of 92 percent for fiscal year 1962. What will this appropriation that you have in the budget for 1963 pay; what percentage?

Mr. HUGHES. Eighty-one percent.

Mr. DENTON. How much would you need to pay 92 percent?

Mr. PATEROS. About \$255 million.

Mr. HUGHES. About \$23 million more.

Mr. DENTON. To pay the same percentage we are paying this year you would need \$255 million?

Mr. PATEROS. That is correct.

EFFECT OF FUNDING FORMULA ON SCHOOL BUDGETS

Mr. DENTON. What are these schools going to do that are expecting 100 percent, if they get only 92 or 81 percent? They have all set up their budget a year ahead of time.

Mr. GRIGSBY. Mr. Denton, at the present time many schools are beginning to prepare their budgets for the 1962-63 school year, which is the 1963 fiscal year. At the present time so far as they know, they are going to be paid 92 percent of their 1962 entitlement.

They have been informed the funds for 1962 will permit payment at about 92 percent of their entitlement.

Mr. DENTON. What about fiscal year 1963?

Mr. GRIGSBY. At the present time their expectancy with respect to the current fiscal year which we are in, which is also their school year is 92 percent of entitlements. Looking to the next year, it is hard to say what their expectancy might be. Are they expecting in 1963 to be paid at 92 percent of their entitlement again, or do they expect to be paid at 100 percent in 1963 or will they expect to get a lesser amount. Most of them are not, I think, too conscious at this point as to what the President's budget request is.

Mr. DENTON. And can they expect another cut?

Mr. GRIGSBY. We haven't officially told them that.

Mr. LAIRD. Why isn't it your responsibility to tell them?

Mr. GRIGSBY. It is not our responsibility.

Mr. LAIRD. Why isn't it? You submitted this budget to this committee as your budget. Why isn't it your responsibility?

Mr. GRIGSBY. To tell them what it will do in terms of a percentage reduction?

Mr. LAIRD. Yes.

Mr. FOGARTY. This is a budget, as I understand it, that the Office of Education has to justify, but it is not their budget. It is the administration budget, which is a considerable reduction from what these people would like to support if they had the chance.

I might say there that I do not agree with the administration's policy. I don't think this is the right way to amend existing law, by holding back or cutting down on appropriations.

Mr. DENTON. Will you advise them, if this appropriation is cut, as is being recommended in this budget, that they can expect another cut and get 80 percent instead of 90?

Mr. GRIGSBY. If the appropriation made by the Congress turns out to be \$232,293,000, the amount before this committee, then we will so advise them.

PAYMENT OF PUBLIC LAW 874 FUNDS TO COUNTIES ADJACENT TO DISTRICT OF COLUMBIA

Mr. DENTON. I realize you can do nothing about this question I am going to ask you about next, but I live in Montgomery County and you pay a certain sum of money to that county I understand under Public Law 874. Now, I do not think it was ever the intention of Congress when we passed this act to pay counties such as that.

Has your department done anything to correct that situation? Have you made any recommendations of any kind?

Mr. GRIGSBY. Well, the President's proposal for amendment of these two laws, both 874 and 815 submitted at the first session of this Congress and still pending as title II of S. 1021—it isn't pending really as S. 1021 because S. 1021 as it passed the Senate simply extended the law without amendment for 3 additional years, or would have.

Mr. DENTON. That is right.

Mr. GRIGSBY. The President's proposals are still before the Congress to cut back the rate of payment for these federally connected children, particularly in areas of this sort where children are counted if their parents are employed on Federal property.

Mr. DENTON. What I am trying to get at, have you made a recommendation that that situation be corrected?

Mr. GRIGSBY. In Montgomery County?

Mr. DENTON. Yes.

Mr. GRIGSBY. Not specifically as affecting Montgomery County.

Mr. LAIRD. Will you yield to me on that point?

Mr. DENTON. Yes.

QUESTION OF MISLEADING BUDGET PRACTICES

Mr. LAIRD. Mr. Chairman, I think this is just another example—we have had several before this committee—of how phony this budget is. We have seen where they have made a cut in the Hill-Burton pro-

gram for hospital construction knowing full well it would be restored. I am sure that cut was made just to make the totals look a little better.

The Congress took action on the formula for Public Law 874 last year and the President signed the bill. I happen to be opposed to the present formula because I agree with Mr. Denton that the situation is that these areas around the District of Columbia are getting funds way out of proportion to any hardship imposed by Federal impaction. I think changes need to be made. I did not support the reenactment of this legislation. Certainly, the budgetmakers in this administration know full well what the action of Congress was on this. They know what the law is.

This is just another example of where the administration sends to the Congress a budget reduced in certain areas where they know the Congress has, by overwhelming votes, taken another position. The idea of trying to mislead the people of America into thinking they have sent a balanced budget up to this Congress is absolutely ridiculous. These funds will be restored and funds for the Hill-Burton hospital construction program will be restored and they knew it when they made up this budget.

Mr. DENTON. That has been going on for a good many years on those appropriations, under the previous administration. I can't see any difference.

Mr. LAIRD. I agree with you, but I think it is about time we pointed it out and that it be very clear in this record.

Mr. DENTON. It is the same bureaucrats who do that now who did it under the previous administration. We have had it time and time again.

Mr. KELLY. Mr. Laird, I do not think it is a fair characterization to refer to it as a phony budget. If what you mean is that it is a budget which in some aspects the Congress will not concur with, this is a part of the executive-legislative process. I think this represents the sincere convictions of the President and his recommendations.

Mr. LAIRD. They pick out areas to cut where they know the cuts will be restored, in order to bring this budget in balance.

Mr. KELLY. I think the President has repeatedly indicated that it is his view that the federally impacted areas are receiving assistance which is in excess of what his judgment indicates they should receive and that he has suggested legislation to modify the formula for the distribution of funds and he has availed himself of the provision in the law which says that if a lesser amount of money is appropriated it shall be distributed in a certain way and he has recommended a lesser amount than the full authorization.

Mr. LAIRD. There were only 18 Members of Congress, as I recall, who agreed with President Kennedy, though.

Mr. KELLY. The budget is supposed to represent his recommendations.

Mr. DENTON. This particular problem we have here is not new this year. It has gone on for some 7 or 8 years and, of course, most of these years were under the previous administration. Invariably for this particular appropriation we are given figures by the Bureau of the Budget which they know Congress is going to raise and Congress will again this year. I agree on that. But we have done it seven or eight times, at least, under the previous administration.

I think the criticism goes more to the Bureau of the Budget than anybody else.

BENEFITS TO WASHINGTON AREA UNDER PUBLIC LAW 874

I was very interested in this law when it was passed because it was modeled for a community in a district that I represent. I do not think anybody ever had in mind that Arlington, Fairfax, or Montgomery Counties would stand to benefit the way they have.

Mr. KELLY. Congress did, you will recall, Mr. Denton, have a provision in the law for a period of—I guess it was 3 years—where Montgomery County, Arlington, and Fairfax—

Mr. GRIGSBY. The law originally enacted in 1950 excluded the surrounding suburban areas by reason of the fact that you could count children of parents employed only within the same State. Then it was amended first by appropriation language in fiscal year 1953 at the instance of Senator Bridges to cover a situation at Portsmouth where the parents of federally connected children were crossing State lines for employment in the adjoining community, and in the subsequent year the Congress amended the language of the law to eliminate this restriction as to State lines which said, "within the same State or within reasonable commuting distance," which brought in not only Portsmouth, the surrounding area to the District of Columbia, but also some other situations.

Mr. FOGARTY. I was on the conference committee at that time and I think Senator Bridges had a real problem because his naval base at Portsmouth was just over the line; but in taking care of that problem we also took in a lot more.

In 1950 I opposed this original legislation because it carried with it an appropriation of \$25 million to get the program started. I will never forget that first year because I did not get 18 votes, I don't think, in opposition to it. I think we tried again and were soundly defeated. I have been convinced that it is basically a good program and I am going to try to help them get the money that they are entitled to in 1962 and make the recommendation that we give them the full entitlement under the law for fiscal year 1963. Regardless of possible shortcomings in certain formulas, and regardless of any policy in the administration, my position is that we should live up to the law as it is, not as a minority might like it to be.

SCHOOL CONSTRUCTION

Mr. MARSHALL. You had a January 3 release from the Office of Education that states that the classroom construction between the fall of 1960 and 1961 hit a new high: 72,000 rooms. This was said to reduce the classroom shortage by 15,300. You will recall from our discussion last year that most figures in support of Federal aid to education called for building at a rate of 60,760 a year.

How do you account for this increase without Federal aid to school construction?

Mr. McMURRIN. Certainly it is to be accounted for by a large public interest in improving schools and a willingness on the part of the

States and local communities to commit funds to classroom construction.

Mr. FLYNT. I might point out the increase is only fractional. Looking back over recent years, it has fluctuated up and down. One could hope that this upturn would increase. However, that theory has not borne itself out in the past. If you will look back at the historical record over the last 8 years you will find a period where there will be greatly increased construction followed by several years in which it has dropped off. But when you look at the total period, the reduction in the backlog is not significant. We still have a large backlog of some 135,000 or 140,000 classrooms which need to be built just to bring us up even. The increase in number of classrooms constructed last year is encouraging and we pointed this out in our announcement of these figures. One could hope it would increase, but there is no certainty it will.

Mr. PATEROS. I believe our release indicated that next year while the public school enrollments will increase by 1 million, construction of classrooms will drop below 63,000 classrooms for that year, which will be a drop of almost 10,000 in terms of new construction.

ACCURACY OF CLASSROOM SHORTAGE STATISTICS

Mr. MARSHALL. I have been one of those who has felt that this perennial hope that has been held out, that we are going to help local communities with school construction, has been something that has actually held back the construction of classroom facilities.

I must say I have had a difficult time in following the estimates on the need for additional classrooms that has been brought out by the Office of Education. We have gotten quite a number of different figures in the past on that phase of it.

Mr. FOGARTY. Mr. Marshall, I agree with you and I had intended later on in this discussion to ask some questions about a statistical program for the Office of Education so that this can be straightened out. I think it may turn out that they need something in addition to what this budget provides for, but I agree with you there have been all kinds of estimates over the past 10 years. Maybe we can help them straighten it out. I think that is a good point that you raise.

FEDERAL AID FOR CLASSROOM CONSTRUCTION

Mr. MARSHALL. Thank you, Mr. Chairman. In the light of these developments and these statistics showing what the construction has been in the last year. I wondered if you had any cause to alter your position on the need for Federal assistance for school construction.

Mr. McMURRIN. We haven't had cause to alter our position in principle, Mr. Chairman, because the change, as Mr. Flynt has indicated, is such a small fraction of the total need.

May I say at this point that we would welcome an opportunity at some time during the hearing to give a somewhat full statement on the problem that you have raised, having to do with our statistical estimates of this need.

Mr. MARSHALL. I would rather forgo that until the chairman gets into that particular part of the justifications.

Mr. McMURRIN. May I say, Mr. Marshall, that before you made your statement that you felt that the hope that is constantly held out for Federal assistance in construction had held back construction. I was about to volunteer the point that it seems to me that, based upon our experiences with some other programs where Federal assistance has enlarged the local commitment to the same project and has attracted local and State money, rather than caused it to decline. Based upon this, I would venture that the large Federal concern for the funding of school construction in part with Federal money has had the result of increasing the construction rather than decreasing it. That is that the very increase to which you have referred and which we announced, I would be inclined to think, may have resulted in part—not in full, of course, but in part at least—from this large interest in Federal funding of school construction. I am aware that this could never be established and is simply a speculation on my part.

STUDIES OF EXPENDITURE OF FEDERAL FUNDS FOR EDUCATION

Mr. MARSHALL. I understand that another committee of the Congress has been making some study of this and I understand that you are carrying on a survey in the Office of Education to identify more closely the Federal funds now being spent on elementary and secondary education.

Could you comment upon what you are doing on this?

Mr. HUGHES. The Office has for the last decade or more published a volume reflecting the funds spent in the interest of education by all Federal agencies. The publication was most recently issued last fall showing that some \$2.5 billion are now being spent annually by various Federal agencies in the interest of education.

We have this year, with the assistance of the National Science Foundation, added a significant chapter to the publication which will analyze in some depth the purposes of these expenditures in the areas of science and mathematics. That publication which is now in the final stages of editorial review will be issued this spring and we will be most happy, of course, to call it to your attention.

In addition, you may be referring to the major study that is now underway in the Office of Education, to analyze the impact of Federal expenditures on our institutions of higher learning and that report is also forthcoming and will be available to the committee this spring.

Mr. MARSHALL. When will the study that you are making be completed?

Mr. HUGHES. Well, the report that we are making on the elementary and secondary schools will represent the status of expenditures during the most recent fiscal year for which data are available. I believe that would be fiscal year 1961 or at least in part fiscal year 1961 and certainly completed for fiscal year 1960.

I might point out that the organization plan of the Office of Education does take account of the increasing responsibility of the Office of Education to be knowledgeable about Federal activities in education and to report to the Congress on the various activities of Federal agencies. You will note, a new Branch which is included in the Office of Legislative and Program Planning entitled "Federal Education Programs Branch," which will have this as a major responsibility.

We would look upon the project, I might say, sir, as a continuing function of the Office of Education rather than as a one-time or a one-shot survey that would permit us to make conclusive recommendations on any single program. We think the Congress has shown by its conclusion of the provision of 1001(d) in the NDEA, and by the interests of this committee, and by you personally, sir, in expenditures in education, to assign a continuing function and responsibility to the Office of Education.

REGIONAL OFFICES

MR. MARSHALL. I note you have sent up a proposal for reorganization of the Office of Education.

MR. HUGHES. Yes.

MR. MARSHALL. Last year when you were before us we had some discussion about regional offices. Do you still have nine regional offices?

MR. McMURRIN. We still have nine regional offices. That is, we have representatives in each of the Department's nine regional offices.

MR. MARSHALL. Did you make any study of the cost of administration of these offices? You may recall that I felt the cost was a little more than the benefit you would get from this extensive a field organization.

MR. McMURRIN. We have not made a formal study but I might say that in the approval which the Secretary has given of our reorganization, we have come to terms on certain conditions upon which this approval is based, and to make a careful study of the regional operations of the Office of Education is one of those conditions. So we expect to launch on a somewhat formal appraisal, not simply of the cost but of the entire operation, in the comparatively near future.

MR. MARSHALL. About when do you expect to have that study complete?

MR. McMURRIN. We have not set a date but I would assume, sir, that we would have the matter wrapped up by the end of the year.

EFFECT OF REORGANIZATION ON 1963 BUDGET

MR. MARSHALL. You hardly expect there will be any change in fiscal year 1963?

MR. McMURRIN. This is conceivable, but I would be inclined to think that the likelihood is not great because I am sure we would be into the fiscal year before we would complete the study and be able to come to any terms on making possible changes.

MR. HUGHES. I would like to report at least one change that was made during the year, sir. We did have a start on the establishment of regional positions to administer certain phases of the NDEA and had established positions to take care of these responsibilities in two of the nine regional offices. Based upon our experiences with this particular venture we did discontinue those positions in the regional offices and transferred their responsibilities to Washington. That one change was recorded during fiscal year 1962.

WORKING ARRANGEMENTS WITH LOCAL SCHOOL OFFICIALS

Mr. MARSHALL. You will also, I think, recall last year we had some discussion about the prospect of a closer working arrangement with school officials, such as school boards throughout the country, in connection with educational programs.

Mr. McMURRIN. Yes.

Mr. MARSHALL. What have you done during the past year on that program?

Mr. McMURRIN. What we have done is to expand our program of inviting people to serve the Office of Education in advisory and counseling capacities. As a matter of fact we expect, as the chart indicates, to establish an advisory panel to the Commissioner which would serve in addition to the special advisory committees. And persons who are representative of the public involvement with the schools will be included. I am very sure that some people who have a direct connection with school boards will be invited to serve on this panel.

Generally speaking, there has been an expansion of our contact with the people from the schools. Thus far this has been in connection with specific problems. To give you an example, we are very much concerned, of course, with the problem of educational issues that are developing in the large urban centers and we recently convened an informal group in which were included a number of people of the public schools of broad experience and experience in depth in education in the big cities to advise us on how we might best serve American education at the point of this problem. And on the basis of that advice, we are going to establish a small body of advisers to the Office of Education, people who are experienced in the big-city problems. I mention this simply as an example of the way in which we are moving to establish a more direct contact with people in the educational field.

Mr. MARSHALL. Mr. Commissioner, I am glad to hear you say you are doing that, because I think that a very important part of the education program in this country will rest on the shoulders of school people elected by the people to carry on the administration of school affairs. I think education in this country is, on that basis, very largely a responsibility of the parents of the children in this country. I think that is an important step that you are taking to bring about a better relationship and I am glad to hear you say that you are moving in that direction.

Mr. McMURRIN. Yes, sir.

USE OF PUBLIC LAW 874 FUNDS IN MINNESOTA

Mr. MARSHALL. Last of all, I had the opportunity of talking with some of the school people in my district concerning the funds that were given for assistance to school districts where they have Federal impaction. My State happens to be one of the lowest in the country from the standpoint of funds that are given to school districts under this law. There are only four or five States that get less than Minnesota does in that category.

I talked to the school people about the payments they were getting and they told me that this problem of funds was quite a problem as far as they were concerned; that they had their current bills to meet

and when they had to meet their bills they could not wait until they got funds. I gained the impression from them that they were going ahead and meeting their current bills and that actually in actual practice the money they were receiving goes not to this school year but they credit it to their account for the year following. Is that the way that most of the school districts in impacted areas do that?

MECHANICS OF MAKING PUBLIC LAW 874 PAYMENTS

Mr. GRIGSBY. To some extent I think that is true. The payments under Public Law 874 for current operating expenses are made on the basis of an application which must be filed by March 30 of the current school year. That application contains an estimate as to the number of children in ADA, for the year, who reside on, or reside with parents employed on Federal property. On the basis of that initial application and its estimated data we make an initial payment of 75 percent of the estimated entitlement to the school districts. If they get their application in early in the school year, without doubt they will get that 75-percent payment before the school year is ended. Usually they will get the 75 percent early in January or February. If they are late in getting in their application, they may or may not get it within that school or fiscal year. Then the final 25-percent payment is made after the school year has ended and a report comes in as to their actual rather than estimated ADA, and that 25-percent payment without exception will reach them in a subsequent school or fiscal year rather than that year.

I think a considerable number of school districts who have been applicants for several years have come to budget these funds in the year in which they expect to receive them rather than in the fiscal year of application to which they might apply.

OBLIGATION FOR GETTING INFORMATION ON FUND AVAILABILITY TO SCHOOLS

Mr. MARSHALL. Actually, what we are saying is this: that from the standpoint of the Office of Education you are meeting your commitments for the 75 percent. That is what they expect and on the basis of that explanation you would not be expected to send out any advance notice to them because you are not breaking faith with them, as long as they expect the 75 percent and you have made that payment, is that right?

Mr. GRIGSBY. We feel an obligation beyond that. Once the appropriation is made for the fiscal year as it was for fiscal year 1962 rather late in the session—I believe it was in August before it was finally made—

Mr. PATEROS. September 22.

Mr. GRIGSBY. We felt then under the obligation to send notice to the school districts through the State departments of education to the effect this appropriation was in this amount and our best estimate was it would pay 92 percent of the entitlement. And so the first payment they might expect on the basis of 75 percent of their estimated entitlement would be 75 percent of the estimated prorated entitlement of 92 percent. We thought they ought to have that information

for whatever significance it might have for their expenditure pattern in the current year.

But to notify them in advance as to what the budget request is would simply seem to be calling on them to get stirred up and contact their Congressmen to bring a supplemental before the Congress—

Mr. KELLY. Similarly, I might say we do not do that when we are providing an increase, because if we were to notify all of the States or all of the colleges and universities affected by our budgets of what we had in the budget, that we could be charged with having lobbied on appropriation bills. We do not do it either for a decrease or an increase, except in terms of the national publicity associated with the totals but not the figures associated with individuals, although we will respond to questions to the best of our ability.

Mr. MARSHALL. What I could not understand when this thing came up a little while ago was why there should be any responsibility on the part of the Office of Education to make any announcements until after your appropriation clears Congress. Is there any reason that you should be expected to make any announcement?

Mr. GRIGSBY. As Mr. Kelly just said, on the contrary I think if we were to make such announcements we might well be accused of attempting to influence the Congress through such an announcement.

Mr. HUGHES. There is the further complication, Mr. Marshall, that we would have I think to take account of the total budgetary program of the administration, which includes in this instance proposed legislation to curtail the payment. If the President's recommendations for such curtailment were enacted and were effective in fiscal year 1963, there would then be a reduction in the appropriation that has been submitted for this program by some \$58 million. So you can well see the complex picture we would have to present to the school districts on the nature of the program that is before the Congress. I think we feel that the responsibility we have to the school districts is to notify them as soon as possible after the congressional action has been taken on the budget and the legislative program, as you indicated.

EDUCATION OF INDIAN CHILDREN

Mr. MARSHALL. My good colleague, Congressman Denton, from Indiana, has certainly shown himself a real statesman in the interest of Indian education and medical care. I think it is rather remarkable that a man removed so far as he is from places affected by Indian problems, has shown so much interest in the subject.

In our State we have a man who has rendered a real service to the Indians and to the State of Minnesota, Mr. Roy H. Larson. I am sure some of you are acquainted with him. He has been doing a marvelous job over the years of bringing Indian children into the public schools. I appreciate some of the problems that he has had in working with this program.

I wonder if the Office of Education might not do a little more in that regard, because while we do not intend to say that Minnesota sets an example—that same example could take place elsewhere—I do not believe there is any one thing that has been so important to the benefit of the Indians as bringing the children into the public schools. It has really been a truly remarkable development. I have seen it with my own eyes.

I wonder if the Office of Education is planning any program to assist in bringing about that development in the other States that have not solved that problem.

Mr. McMURRIN. Mr. Marshall, a National Committee on Children and Youth as the successor organization to the White House Conference on Children and Youth, is presently giving attention to this problem as well as to other problems of the type that we discussed earlier, the actual operation of the Indian schools. Although, to my personal knowledge, the Office of Education has not been considering involvement in the matter that you have mentioned, it is possible that without my knowledge it has been, and it seems to me this is a problem we might well take a very active interest in. As a result of your bringing the matter to our attention, we will give it some very careful consideration as to whether we are not in a position to give professional services which would assist in a very real way in this process.

PARTICIPATION OF INDIAN RESERVATION SCHOOLS UNDER PUBLIC LAW 874

Mr. MARSHALL. Do you not give assistance through the programs such as payments to school districts, to Indian schools?

Mr. GRIGSBY. It is true that children residing on Indian reservation land are eligible for payment under the formula provisions of Public Law 874. When the law was first enacted, they were excluded from the provisions of Public Law 874 by reason of the definition of "child," which excluded anyone with one-fourth or more of Indian blood. Then they were brought into the program on the same basis as any other children, provided they lived on or had a parent employed on Federal property. Under Public Law 874, in the last year for which I have statistics here now, we are paying to some 590 school districts an estimated \$8,251,000 toward their current expense, by reason of the number of children counted who reside on Indian reservation land or reside with a parent employed on Indian reservation land.

Then we also get into the problem of Indian education to a small extent in terms of assistance to school districts which, if facilities were available, would provide free public education for children residing on Indian reservation land. That is under section 14 of Public Law 815, assistance for school construction. That program was put into effect about 1953, as I recall it, and in the years since then some \$39 million have been spent for the construction of classroom facilities in school districts providing education for children residing on Indian reservation lands. That has involved about 20 States, I should say, and some 1,368 classrooms housing approximately 39,000 children.

We have made a significant contribution to the program of moving children residing on Indian reservation land into the public school situation during the past several years as a result of these laws.

The prime responsibility for the education of children residing on reservations in terms of residential schools, which is particularly true of the Navaho Reservation of the Southwest, principally in New Mexico and Arizona. The prime responsibility still seems to lie with the Bureau of Indian Affairs because so many of those children cannot be reached in a program of public education because of the roads. They are inaccessible. So they have to build and have built on the

reservations these dormitory schools into which they bring the Indian children.

EDUCATIONAL RESPONSIBILITY FOR INDIANS LIVING OFF RESERVATIONS

Mr. MARSHALL. In connection with your statement concerning Indian reservations, part of the problem we have is that when an Indian child leaves the reservation and takes part in public school activities, then the Indian Bureau quite often feels it becomes the full responsibility of the State. There is a sort of hazy area of administrative jurisdiction.

Mr. GRIGSBY. When the Indian family moves from the reservation into a community.

Mr. MARSHALL. While I agree it is a State problem, I wonder if you are giving enough attention to that problem.

Mr. McMURRIN. May I say, Mr. Marshall, that Mr. Flynt has just called to my attention the fact that under the cooperative research program we have studies of Indian educational problems in progress in Colorado, Nevada, and South Dakota. I think perhaps a word on this from Mr. Flynt might be of some interest to you.

Mr. FLYNT. Mr. Chairman and Mr. Marshall, this grows out of the same concern you have expressed, that is, that once the Indian child or family moves from the reservation at the elementary or secondary school level or if he becomes a candidate for higher education, he falls into a pattern requiring special treatment. The study the Commissioner referred to, the study at Tempe, Ariz., was brought about because of the need to give careful study to what happens to the Indian, both educated and otherwise, when he leaves the reservation—what services he can call upon, what factors of success or failure are evident by his moving out into the white community. The study there is aimed at a careful study of 500 Indian students in colleges and universities, to follow them for 4 years to find out how they persist, what causes them to drop out, and what we might do to get more Indian students into colleges and universities and keep them there longer. As you know, their incidence of dropout is quite high, often for more than educational reasons. Many times the reasons are sociological.

Mr. McMURRIN. We are aware, certainly, Mr. Marshall, that what you want is action and not just study. I would assure you that we will give close attention to this matter and see what we might be able to do to be of more service in this area.

Mr. MARSHALL. Thank you.

Thank you, Mr. Chairman.

Mr. ARNOLD. Mr. Marshall, I think of considerable significance is what the State departments of education do in many of these Indian institutions, particularly in vocational education, where they render teacher training services and provide certification procedures and assistance in recruiting competent teachers. There are a number of activities of this kind which are indirectly related to our Office by reason of our Federal-State relationships.

RESIGNATION OF MR. PEARSON

MR. MARSHALL. Where is Mr. Pearson? I miss him today.

MR. MCCURRIN. Mr. Pearson has resigned, and Mr. Arnold was appointed to succeed him. Mr. Pearson resigned of his own choice before he reached retiring age. He said he did not want to be a retired man, so he resigned and is now engaged in a variety of activities, including some university teaching.

MR. ARNOLD. Yes. He is presently conducting a research seminar at Southern Illinois University at Carbondale, Ill.

MR. FOGARTY. Thank you. We will reconvene at 1:30.

IMPLICATIONS IN TERM "DEMOCRACY"

MR. DENTON. The committee will come to order.

MR. LAIRD.

MR. LAIRD. Mr. Commissioner, this morning, several times in the course of your statement you made reference to the work you are doing in the area of promoting civic instruction, encouraging the teaching of democracy, and the general area of Americanism.

MR. McMURRIN. Yes.

MR. LAIRD. I was a little concerned with your references to promoting democracy. We in the Congress like to think of ourselves as representatives of the people, and particularly in the House of Representatives. We have had a different situation in the Senate, but the original Constitutional Convention so established the House that we would represent the people. We have a representative government, and have had since our Nation was established.

MR. McMURRIN. I do not think the record will show, Mr. Laird, that I reported that we are promoting democracy but, rather, that we are encouraging adequate instruction in democratic principles and democratic practices. All we have in mind here is to encourage the schools and the universities, at least in some instances, to give more attention to adequate instruction in the principles of democracy, especially at the point where democracy as a form of government is different from totalitarianism, and in the practices of democracy as compared to the practices of totalitarian governments.

MR. LAIRD. We really have representative government in the United States, and it is my hope that we will never establish a true democracy here.

MR. McMURRIN. This is, of course, dependent, in my opinion, on what a person means by "democracy." All we have reference to by referring to democratic principles is what one might mean when he talks about Americanism and has in mind something which is genuinely representative of the highest ideals and practices of the American people.

MR. LAIRD. It would certainly put the Congress out of business if we took this other route. And in a nation such as ours I don't think there is much doubt that the Founding Fathers were right in establishing a representative form of government instead of a democracy.

MR. McMURRIN. Do you mean to suggest that the word "democracy" should be eliminated from our vocabulary when we discuss matters of public affairs or of governmental procedures?

MR. LAIRD. No. I was concerned with your idea of promoting democracy, which I think can be misinterpreted if you try to apply it to our Government.

MR. McMURRIN. I would take issue with you at this point, sir. I personally have no hesitancy in saying that in our country we have a democratic form of government. I am well aware if a person wants to get involved in the technicalities of what the word "democracy" may mean under certain specific circumstances and within specific contexts, this would call for some refinement of definition. I quite agree with you on that.

MR. LAIRD. I majored in political science, and we were not taught that this is a democratic form of government. But we are quibbling over technical definitions. I thought, when I started this line of questioning, you were preparing material along a little different line. It is clear, now, from our discussion, that this is not the case.

MR. McMURRIN. No. As a matter of fact, we are not preparing any material at all. Let me give you an idea of the kind of thing I have in mind.

In the first place, as you are well aware, we have received an appropriation for work on the subject of English. We are now seeking an appropriation which would enable us to become involved in the improvement of instruction in the social studies. In this connection we would eventually certainly be involved in problems that would relate to the definition of principles and practices of American Government and American life.

This is the kind of thing I am referring to here. I am not using the term "democracy" in any technical sense nor in any partisan sense; but simply in the way in which it is ordinarily used in general statements where one refers to the American people as being involved in a democratic way of life in contrast to the totalitarian way of life.

MR. LAIRD. I can understand that. I thought you were speaking of it as a form of government, which is a little different thing.

INTEREST IN AMERICANISM STUDIES

MR. McMURRIN. Not at all. As a matter of fact, we are not preparing any materials. Several months ago we made a survey of the State departments of education, as a result of a widespread interest in this problem in education, to determine to what extent the States themselves are giving attention to matters having to do with adequate instruction in American practices and principles in government and public life as opposed to Communist or totalitarian ones.

We discovered that many States are doing very little and some are doing nothing, and that there is a very real interest in our bringing them together in some kind of focus to enable them to capitalize upon one another's experience to see what is going on in different parts of the country. In the very near future, as a matter of fact in the latter part of March, we are having a conference which carries the title, "Planning Conference on the Ideals of American Freedom and in the International Dimensions of Education," which will bring together a considerable number of key people, key in the sense of their being people of outstanding ability, also in the sense of their being in positions where they can speak for public education, and private

education for that matter, and where they can in turn have some positive influence on the character of education. We are bringing them together from all parts of the country to enable them to pool their resources and their knowledge and talent in working at the problem of where the schools may or may not be deficient or efficient in instruction in matters of this kind.

This, I might say, is something that has received very large support, not only from people in the public schools, but people in the universities as well. This is a sample of the type of thing I have in mind.

We are not laying before them anything other than an agenda.

Mr. LAIRD. You do not advocate that Congress be abolished?

Mr. McMURRIN. No. We not only would not abolish the Congress as a whole, but we would not recommend the abolition of either House or any Member thereof.

But we are interested in bringing them together, and they are interested, we have discovered, in coming together so they can themselves take a look at the problem in the schools of the whole matter of American ideals and American practices, and how best to instruct American youth in the principles of a free society.

Mr. LAIRD. I think that is very fine, and it is a program that should be encouraged.

PREPARATION OF TEACHING MATERIALS

You have prepared some pamphlets, have you not, to serve as a guide as far as the study of communism is concerned?

Mr. McMURRIN. We have not prepared such pamphlets, no. We perhaps will publish in some form or another the results of this conference, which is a working conference. We expect these people to come together and take their coats off and spend 3 days working on the basic problems which they are up against. I am quite sure we will publish this material and make it available to all of the schools which may be interested in it.

I do not know of any pamphlets that we have issued.

Mr. LAIRD. I thought you were doing some work through your grant program to prepare teaching guides in this particular area.

Mr. McMURRIN. Does the cooperative research venture that you have answer this description?

IMPROVEMENT IN SOCIAL STUDY FIELD

Mr. FLYNT. Last year the committee was kind enough to give us a grant to work in the field of English. We are asking that this be extended to the field of social studies with special reference to geography, in fiscal year 1963.

Mr. McMURRIN. It is still in the future.

Mr. LAIRD. I thought I had read an article quite recently that some grants were being made to improve this section.

Mr. McMURRIN. Whatever the source of that is, it must be a reference to what we hope to be able to do; that is, on the basis of this budget which is before you, we hope to be able to do within the social studies the kind of thing that we are now working on in English or which the Science Foundation is doing in mathematics and the sciences. As Mr. Flynt indicated, we would start with geography,

but, if the project is funded by the Congress, we would eventually deal with matters pertaining to social studies generally.

Mr. CORNETT. I might explain that in anticipation of the demands which social sciences will make upon our clearinghouse of institutional studies in the Division of Higher Education, we have already begun annotating and assembling information about studies in the field of social sciences, curriculum materials, and methods. So we do have in motion already the accumulation of materials that will be needed if this project is authorized in fiscal 1963. This is only a part of an ongoing clearinghouse operation.

Mr. LAIRD. You must put out some material on this, because people have gotten the idea that you are giving emphasis to this whole area of improving the educational offerings in the secondary schools in this area.

Mr. McMURRIN. I would like to see the article. Frankly, I cannot imagine what it is. It may be something that we are just not able to turn up here. I cannot imagine what it would be, other than the fact that we hope to do something in the future.

EMPLOYMENT LEVEL

Mr. LAIRD. Mr. Commissioner, when I came to Congress in 1952, the Office of Education had 438 employees. The budget we have before us today asks for 1,177 employees. What do you envision your employment level to be 4 or 5 years from now?

Mr. McMURRIN. I would say, Mr. Laird, this will depend primarily upon whether or not Congress enacts legislation which calls for the expenditure of large sums of money in grants-in-aid to the schools of higher education, because the personnel increase in the next 4 or 5 years, I would think, would depend largely upon the administration of grant money.

Mr. LAIRD. I notice in this budget you have a requested increase of 67 positions over the current year, without any new legislation.

Mr. HUGHES. Of course some of the positions which are in the budget for 1963 reflect the accumulation of workload increases which have come about because of new legislation. For example, we are now beginning to feel some of the cumulative effect of the first impact of the National Defense Education Act such as increased fiscal transactions, and things of that kind, which need to be handled.

Mr. LAIRD. Why did you not feel that impact this year?

Mr. HUGHES. We did. As a matter of fact, we did get positions in 1962 for the initiation of an audit staff, and we have added in 1963 seven positions in the same area to reflect the increase in workload which has been brought about directly by the National Defense Education Act.

ACTION ON SALARIES AND EXPENSES APPROPRIATION FOR 1962

Mr. LAIRD. Let us look at this budget. Last year you came to the Congress and justified a total appropriation of \$11,939,000 for salaries and expenses. That was your request to the Congress. You said that was the minimum amount you needed in order to carry on an effective program. Is that correct?

Mr. HUGHES. Yes, sir.

Mr. LAIRD. Congress provided a total of \$11,669,000. Is that not correct?

Mr. HUGHES. That is correct.

Mr. LAIRD. We reduced the request for salaries and expenses. The total amount of the reduction was well over \$200,000. After the conference report was published, people in my area were contacted by representatives of the Office of Education and were led to believe this was a rather drastic reduction the Congress had made in the amount of funds you had asked for, for salaries and expenses. Do you think that reduction on the part of the Congress, Mr. Commissioner, was warranted?

Mr. McMURRIN. I am not sure what you mean by "my area."

Mr. LAIRD. I can give you the names, but I would rather give them to you off the record.

(Off the record.)

Mr. LAIRD. He said this led him to believe that the action of Congress would have a drastic effect upon the operations of the Office of Education.

Mr. McMURRIN. I do not know what this could have been. Certainly no one was given instructions to disseminate this kind of information, unless it was an individual discussing a particular kind of program the college was interested in, which might have been importantly affected by the budget reduction.

RESERVE FOR SAVINGS

Mr. LAIRD. Even though we made this reduction, you made a further reduction of \$123,000 in this item. Your own Department did that.

Mr. McMURRIN. Yes, I am aware of that.

Mr. LAIRD. You are not even spending the money which was appropriated. So I cannot see how that reduction which was made by the Congress had any effect upon your program, when you are not even spending up to the level which the Congress has made available.

Mr. McMURRIN. You are quite right on that, unless the amount put in reserve would have been different if the total appropriation request had been made.

Mr. LAIRD. The only thing that would have been different about it would have been that the reserve would have been larger. Is that not correct?

Mr. KELLY. If the additional \$200,000 had been appropriated, somewhere in the neighborhood of \$44,000 of that would have been placed in reserve in addition to the \$123,000, Mr. Laird. The Secretary's reserve was placed as a proportion of the increased funds in 1962 over 1961.

Mr. LAIRD. He just used a "meat ax" approach.

Mr. KELLY. We do not refer to it that way, Mr. Laird.

Mr. LAIRD. How do you refer to it?

Mr. KELLY. We thought under the circumstances, if this kind of reduction had to be made, and after all consideration had been given by both the executive branch and the legislative branch, the most equitable way to do was to take a proportion of all the increased funds and have the same substantial impact on all new program areas.

FIRMNESS OF 1963 BUDGET

Mr. LAIRD. Now, the policy of this administration seems to be one of getting a budget approved and then deciding a few days after Congress adjourns how much they are going to put in reserve, so we do not know how firm this figure is you have presented to us this year, do we?

Mr. KELLY. We have every reason to believe, Mr. Laird, that the appropriation request before the Congress, if enacted, will be used in the manner in which it is described in the justifications.

Mr. LAIRD. That was the testimony last year, too, but that did not happen, did it? You made that same kind of statement last year. Last year it did not mean anything when you made that statement. How do I know it means anything this year?

Mr. KELLY. Circumstances developed and instructions were given to the Department. We have had no indication that such action could be anticipated with respect to 1963.

REASON FOR SAVINGS

Mr. LAIRD. Mr. Commissioner, the President, in directing the Cabinet officials to review their appropriations, stated:

I much prefer that obligational authority remain uncommitted where there is any doubt that expenditures would yield substantial returns to the national interest.

Do you think the increase which was provided by the Congress over and above the expenditure level for fiscal 1961 would have resulted in substantial returns to the national interest?

Mr. McMURRIN. I think, sir, the money would have been well spent, if it had been made available to us, in the national good.

Mr. LAIRD. Do you think this reserve was established in accordance with these instructions of the President?

Mr. McMURRIN. I must say that my knowledge of the establishment of the reserve came from a general discussion on the problems of the Department with the Secretary, rather than the Office of Education in particular. The Secretary described the problems which were before the Department. I personally felt that the action which was taken was quite justified. I cannot speak on the financial intricacies of the operation because I am not familiar enough with them.

Mr. LAIRD. It is pretty difficult for us to accept these figures which come to us now from the various agencies as being more than illustrative—just figures sent to us for the purpose of our budget discussions. After Congress goes home, I suppose a new budget will be arrived at as was done last year. It is very difficult for me to follow that procedure.

Mr. McMURRIN. I would say, as Mr. Kelly has already stated, I personally have encountered nothing in my experience related to this budget which indicates that any reserve would be established. If there is such a possibility, I am not aware of it.

Mr. LAIRD. Do you know of any other time under the administration of any other Commissioner in the last 10 years that this has happened?

Mr. McMURRIN. I am not aware of it, but I have not been in position to know whether it has happened or not. That is, I have had no conversations on the matter with former Commissioners, and I am simply not aware of whether it has or has not taken place.

Mr. LAIRD. I think if you will check back over the record, you will find this has not happened. It seemed to me a great many speeches were being given throughout the United States that this was an area where you needed to put greater emphasis, but the record shows just the opposite; you are not even using what Congress has made available. I think a lot of people in this country do not realize that.

STATISTICS ON NEED FOR CLASSROOM CONSTRUCTION

Mr. Commissioner, last year in our discussions, Mr. Marshall and I referred to the study which had been made by the Office of Education on which a report was released January 19, 1961, which indicated the need for 600,000 classrooms in the next 10 years. I also referred to a report which was released in 1954. We found we had met the classroom requirements of the 1954 report, but the later report of January 19, 1961, showed that we would have to be building 600,000 classrooms in the next 10 years.

What is your estimate of the number of classrooms constructed last year?

Mr. McMURRIN. Have you that estimate?

Mr. PATEROS. We reported on January 3, 1962, that the Nation had constructed a total of 72,200 classrooms as against 69,000 the previous year, but estimates indicated that, despite the fact that enrollments will increase by more than 1 million in 1962, construction is expected to fall to a total of about 62,700 classrooms.

Mr. LAIRD. Do you feel that the report of January 19, 1961, which is the projection for the next 10 years, is still a sound report?

Mr. McMURRIN. I would like to ask Mr. Flynt if he would comment on this, since this falls in his area.

Mr. FLYNT. We have been aware of the serious question concerning accurate data. I think if you will refer to the series of studies we initiated in 1954, which have come down to the current time and which are reported in this release, you will find that they have remained quite consistent with our earlier predictions. We began in 1954 a new basis of calculating the need for classrooms and for estimating future construction and reporting previous construction. It is noteworthy that the figures have run, say, on the order of magnitude of 63,000, 68,000, 72,000, 39,000, 69,000, 72,000, and they are estimated to sink to 62,000. There has been no substantial constant upward gradient. It has been a sort of rough plateau.

Mr. DENTON. You mean the population has increased that much?

Mr. KELLY. These are new classrooms.

Mr. FLYNT. These are new classrooms constructed, Mr. Denton. Nevertheless, we feel that we have not made any serious impact on the overcrowded situation and the number of double sessions represented by the defined classroom shortage, which has been on the order of magnitude of 120,000 to 140,000 classrooms. This has endured, despite the fact that the number of new classrooms constructed have met our estimates closely. There is probably less than 1 percent difference. We estimate that the number of classrooms needed seems

undeniable. The number of children who will be in school through 1968 have already been born. There is no mystery about them. They are actually alive. By applying normal mortality tables, you can tell how many classrooms will be needed.

PROGRESS TOWARD ALLEVIATING CLASSROOM SHORTAGES

Mr. LAIRD. You are making, then, the necessary progress to meet this goal?

Mr. FLYNT. No, it does not appear that we are. We are not making any serious forward progress as a Nation.

Mr. LAIRD. Last year when this report was given to us, it was stated, and I quote:

The number of classrooms needed in the next 10 years is 607,600. This would mean 60,760 classrooms a year.

Since we had this report, you come back and tell us this last year 72,000 were constructed. I would think you were above the goal which you talked about last year.

Mr. FLYNT. Of course, that states for new enrollment only. It is very obvious you need this number of classrooms to meet enrollment increases only. It does not take account of the fact you must relieve the overcrowding already existing, the number of classrooms retired because of unsuitability—

Mr. LAIRD. Your figures, then, in your report of January 19, 1961, do not take into consideration obsolete classrooms?

Mr. FLYNT. That takes into account the number of classrooms needed to be built to meet the increase in enrollment only.

Mr. LAIRD. To meet the increase in enrollment only, and does not take into consideration any replacement? When we got this report last year, that was not what we were led to believe.

Mr. FLYNT. If you look at this release, a copy of which we have at the table, you will find that, despite the fact that we have exceeded the estimated number occasionally, still we have made no real dent in the backlog of classrooms. It is very obvious that the number is very large, and represents classrooms which would have some several million dollars—

Mr. LAIRD. You are talking about a new report, and I am talking about the report you gave us last year. You are shifting over to some new report you have here.

Mr. FLYNT. All these reports are on the same basis, Mr. Laird, running back to 1954. There has been no change in the system of reporting. Each one is just brought up to date annually.

Mr. HUGHES. May I point out the reported figure on new classrooms completed does, of course, take into account classrooms which have been abandoned by school districts. That figure has also maintained a fairly close average of about 17,000 per year.

Mr. LAIRD. In my home town, we have recently closed two schools and have constructed new classrooms. I thought those figures were taken into consideration in the report.

Mr. FLYNT. It would be adjusted downward for the number abandoned. The point I was making in my earlier remark is that, despite this fact, we still have a substantial backlog of classrooms. We have indicated in this release it now stands at 127,000 as compared with

142,000 a year ago, but that still is a substantial number. If you made this amount of progress each year, you certainly would not in 10 years extinguish the backlog. You would barely do so. It is a thing which should be done now, because the generation of children peopling the schools now are the ones who are suffering.

Mr. LAIRD. That is all, Mr. Chairman.

PROMOTION AND FURTHER DEVELOPMENT OF VOCATIONAL EDUCATION

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Grants to States and possessions under George-Barden Act.....	33,381	33,527	34,527
2. Other grants to possessions.....	145	145	145
Total program costs—obligations (object class 41).....	33,526	33,672	34,672
Financing: Unobligated balance lapsing.....	146		
New obligational authority (appropriation).....	33,672	33,672	34,672

Mr. FOGARTY. The first item is vocational education. We will insert your statement in the record at this point.

(Commissioner McMurrins statement follows:)

PROMOTION AND FURTHER DEVELOPMENT OF VOCATIONAL EDUCATION, OFFICE OF EDUCATION

Vocational educational training is available to all States and other jurisdictional areas under the provisions of the George-Barden Act of 1946. Under title I of the act, specific training is offered in the fields of agriculture, distributive occupations, home economics, trades and industries, and the fishery trades. Under title II of the act, practical nurse training is offered and is now in operation in all States except Alaska. These vocational programs are under public supervision and control and are an integral part of the total educational program within a State. They are organized and operated by local school boards responsible for public secondary education. In some instances these programs are operated in schools that serve an entire State or other geographic areas larger than the usual school community. The States are responsible for administering the grant funds and maintaining the standards for programs as set forth in State plans for vocational educational curriculum.

Both the manpower needs of the Nation and the occupational choices of the individual are served by the program. Local agencies determine the occupations for which training will be offered along with the curriculum content. Training programs are made available for high school students and for adults. Extension courses are provided to those people who need additional training for advancement in their occupational field or for new jobs. Youths preparing for gainful employment receive training which enables them to qualify for placement in a competitive labor market in which technical skills are increasingly emphasized.

For programs provided under title I of the act, enrollment in such classes has reached an all-time high of 3,768,149 persons. In these programs persons are trained to enter the occupations of their choice and employed persons are upgraded and updated. Over half of the persons enrolled in this program are employed. There continues to be a demand for these vocational education programs and enrollments are increasing each year. The States are now contributing over \$4.71 for each \$1 of Federal funds in the conduct of the programs. An amount of \$29,672,000 (including \$180,000 for fishery trades) is requested for title I programs for fiscal year 1963, the same amount which was appropriated in fiscal year 1962.

Under the provisions of title II of the act, the number of programs in practical nurse training has increased from 311 in 1957 to 726 in 1961 which is expected to increase still further in 1962 and 1963. During the same period,

28,880 new enrollments for training in full-time 1-year programs leading to licensure as practical nurses were reported by the States. Over 92 percent of those graduating in the past years have obtained licenses. There is still a shortage of 100,000 to meet the present need for practical nurses. For this reason, the budget request of \$34,672,000 proposed for fiscal year 1963 includes the full authorization of \$5 million for practical nurse training, an increase of \$1 million above the 1962 appropriation for this purpose.

Mr. FOGARTY. The appropriation for 1962 was \$33,672,000, and the request for 1963 is \$34,672,000. The increase of \$1 million will bring the amount for practical nurse training up from \$4 million to the statutory limit of \$5 million.

Is this as far as we can go under the present legislation?

Mr. PATEROS. That is the maximum.

FEDERAL-STATE FUND MATCHING

Mr. FOGARTY. What is the current rate of State matching?

Mr. ARNOLD. In practical nurse education?

Mr. FOGARTY. In vocational education.

Mr. ARNOLD. I have the figures for 1961. The overall matching ratio is \$4.29 State and local money to the Federal dollar. In the Smith-Hughes Act, it is \$5.31; the George-Barden Act, title I, \$5.22; and title II, the practical nurse education program, \$1.13.

Mr. FOGARTY. Is that what brings the average down?

Mr. ARNOLD. Yes. There is still another here. Title III under the George-Barden Act, or title VIII of the NDEA, is \$1.30 to \$1.

Mr. FOGARTY. What is that?

Mr. ARNOLD. That is the area vocational education program, the training of highly skilled technicians in the National Defense Education Act. That is running \$1.30 of State and local money to \$1 Federal money.

Mr. FOGARTY. The nurse program is what?

Mr. ARNOLD. \$1.13 to \$1 Federal.

TRAINING PRACTICAL NURSES

Mr. FOGARTY. How does the need compare with the number of practical nurses available?

Mr. ARNOLD. It is estimated that we are falling short of the need for 100,000 practical nurses by at least half that many.

Mr. FOGARTY. We need 100,000 and we are only training 50,000?

Mr. ARNOLD. That is it, roughly.

Mr. FOGARTY. Why are we falling short?

Mr. ARNOLD. The total national need is estimated at 300,000 practical nurses and the current supply is about 200,000. A fair portion of this additional need of 100,000 is being met in 452 programs under title II. In 1960, for example, there were approximately 40,000 practical nurses trained under titles I and II, a virtual doubling of the program since 1956.

Mr. FOGARTY. How many were trained in 1961?

Mr. ARNOLD. This was 1960. This probably would not change materially in number in 1961.

Mr. FOGARTY. You know what 1961 is now, do you not?

Mr. ARNOLD. Yes. We have the reports in. I have not picked that off.

Mr. FOGARTY. Will you provide for the record what you anticipate for 1962 and 1963?

Mr. ARNOLD. Yes.

(The information requested follows:)

Under titles I and II of the George-Barden Act the preparatory enrollments of practical nurses for 1961 were 28,726 and extension enrollments 14,175. The estimated preparatory enrollments for 1962 are 30,000 and in extension classes, 15,500. In 1963, preparatory enrollments should reach 34,000, while extension enrollments should be approximately 17,000.

Mr. FOGARTY. Are we catching up or falling farther behind?

Mr. ARNOLD. I would suspect, from the increased demand for patient services, we are not catching up. I would presume we are barely holding our own with the increased demand in nursing homes of all kinds and, of course, hospital services. In fact, some hospitals apparently are not able to open because of the lack of professional and practical nurses.

LEGISLATIVE LIMITS ON APPROPRIATIONS

Mr. FOGARTY. Under this budget, what parts of this program are at the limit imposed by the basic legislation?

Mr. ARNOLD. Under this budget, all of the programs will have reached the maximum authorizations.

Mr. FOGARTY. How long has it been since the limits on the basic programs have been increased?

Mr. ARNOLD. Mr. Chairman, there is an exception. The fisheries training program will not reach that maximum. That would be the one exception to the statement I made.

Mr. FOGARTY. How long has it been since the limits on the basic programs have been increased?

Mr. ARNOLD. The George-Barden title I maximum has been appropriated for, I think, at least 5 years.

Mr. HUGHES. That was set in law in 1946. The chairman asked has it been increased?

Mr. ARNOLD. The authorization in the George-Barden title I was passed in 1946, and the maximum for that was reached about 1954 or 1955, and has been appropriated ever since under title I.

Mr. FOGARTY. When will your consultants' group on vocational education report?

Mr. McMURRIN. In March.

Mr. ARNOLD. They will meet March 7, 8, 9, and 10. I think the chairman is asking when they will report.

Mr. FOGARTY. When do you expect a report?

Mr. McMURRIN. We expect to have their completed report, we hope, by the end of the year.

Mr. FOGARTY. I see. So there will not be any legislation this year, then?

Mr. McMURRIN. No, not this year. We hope they will be in a position to give us data on what legislation might be recommended for the next session of Congress.

Mr. ARNOLD. I might add, Mr. Chairman, that the Manpower Act may have some influence on our legislative picture because of a possible appropriation for training unemployed and underemployed persons under H.R. 8399.

Mr. FOGARTY. What will you do if that legislation is not passed?

Mr. ARNOLD. We will be depending on the Area Redevelopment Act for the training of unemployed persons in designated redevelopment areas.

FURTHER ENDOWMENT OF COLLEGES OF AGRICULTURE AND MECHANIC ARTS

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Grants to States (total program costs—obligations) (object class 41).....	2,502	8,194	11,950
Financing:			
New obligational authority (appropriation).....	2,502	8,194	11,950

Mr. FOGARTY. The next item is "Further endowment of colleges of agriculture and the mechanic arts."

We will place your prepared statement in the record.

(The statement follows:)

STATEMENT BY COMMISSIONER OF EDUCATION ON FURTHER ENDOWMENT OF COLLEGES OF AGRICULTURE AND THE MECHANIC ARTS, OFFICE OF EDUCATION

The colleges of agriculture and the mechanic arts, generally known as land-grant colleges and universities, are maintained by the States and possessions in accordance with the first Morrill Act, approved July 2, 1862, and supplementary legislation. These institutions, now 68 in number, participate in a permanent appropriation amounting to \$2,550,000 a year and also share in an annual appropriation authorized by the Bankhead-Jones Act (1935 and 1952).

Public Law 86-658 approved July 14, 1960, further amended the Bankhead-Jones Act to provide for the appropriation of an additional \$7,650,000 to the several States and Puerto Rico in equal shares, and an additional \$4,300,000 to be divided in proportion to population, making a total of \$11,950,000 authorized under the annual appropriation in order to recognize the growing needs of these institutions caused by increasing enrollments and higher costs of education. To meet these needs, the 1962 appropriation requested \$8,194,000 as the first step of a two-step increase to reach the full authorization of \$11,950,000 by 1963. Therefore, for fiscal year 1963, we are requesting the maximum authorization of \$11,950,000, an increase of \$3,756,000 over 1962. Uniform grants to each State will increase from \$90,000 to \$150,000. Variable grants will increase from \$3,604,000 to \$4,300,000.

The land-grant colleges and universities accommodate about one-fifth of the total enrollment in higher education in the United States. The appropriations may be used by the institutions for instruction and for facilities for instruction in eight subjects. In view of the beneficial effect the land-grant funds have had upon the Nation's progress in agriculture and the mechanic arts in the past, this provision of added support is most desirable, particularly at a time when the skilled manpower requirements of the Nation are increasing so rapidly.

Mr. FOGARTY. The appropriation for 1962 was \$8,194,000. The request for 1963 is \$11,950,000. That is the maximum amount authorized.

BASIS FOR INCREASED AUTHORIZATION

You told us last year, but so the record will be complete tell us again, the basis for increasing the authorization.

Mr. PATEROS. Basically, to increase the authorization in line with the increase in population and the increase in cost since 1935 when the original act was passed. There have been no increases since then. The percentage factors of 100-percent increase in cost and 40-percent increase in population were applied to previous authorizations and resulted in the \$11,950,000.

GRANTS FOR LIBRARY SERVICE

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities: Grants to States and possessions (total program costs—obligations) (object class 41)-----	7, 497	7, 998	7, 500
Financing:			
Unobligated balance brought forward-----	-32	-1, 222	-----
Unobligated balance carried forward-----	1, 222	-----	-----
Unobligated balance lapsing-----	113	724	-----
New obligational authority (appropriation)-----	8, 800	7, 500	7, 500

Mr. FOGARTY. We will place your statement on library services in the record at this point.

(The statement follows:)

STATEMENT BY COMMISSIONER OF EDUCATION ON GRANTS FOR LIBRARY SERVICES,
OFFICE OF EDUCATION

Public Law 86-279 approved August 31, 1960, extended the Library Services Act for 5 years, 1962-66. Under the provisions of the act, the several States are encouraged to improve and extend public library services to rural areas, in return for which the Federal Government will contribute funds. The Federal share is limited to not more than 66 percent nor less than 33 percent of the total costs within the limitations of the appropriation made for this purpose.

The act as extended continues to authorize \$7,500,000 per year⁴ to promote the further development of public library service to rural areas." This amount is requested in fiscal year 1963 to provide for the continuation of grants at the maximum authorized level.

The 50 States and 3 other jurisdictions (the maximum eligible) participated in the program in fiscal year 1962 and will continue to participate in fiscal year 1963.

Preliminary reports on the first 5 years of the Library Services Act indicate that as a result of this program over 36 million rural people now have new or improved public library services available to them. State funds for the development of rural public library service since 1956 have increased approximately 75 percent and local appropriations for rural public libraries have increased approximately 50 percent.

County and regional library developments have brought public library service for the first time to over 2 million rural children and adults formerly without any library service at all. More than 8 million books and other informational materials have been added to the resources of rural communities and over 300 new bookmobiles have been placed in operation under Library Services Act projects. The staffing of State and local libraries has also been substantially improved.

Libraries are one of our greatest educational resources. Although much remains to be done to bring good library service to all the people of the Nation, the Library Services Act is an excellent example of the significant progress which can be made under a Federal grant program in a relatively short period of time in improving educational and cultural opportunities for rural people.

Mr. FOGARTY. The appropriation for 1962 was \$7.5 million. That is the maximum. The request for 1963 is the same.

CARRYOVER OF FUNDS

I see that you have actually about \$1,222,000 more in 1962 than in 1963 because of the carryover. Who wants to explain that?

Mr. HUGHES. Up through fiscal 1962, the authorization and the appropriation language did permit the States to carry forward into the ensuing fiscal year any funds which were paid to them under the entitlement for the preceding year and which were not spent. That carryover authorization terminates with fiscal 1962. So, beginning with fiscal 1963, the authorizations will be on a year-to-year basis under the 5-year extension which was enacted last year by the Congress. The States were advised of this change and, to the best of our knowledge, they have adjusted their programs accordingly.

Mr. FOGARTY. The matching formula is 50-50.

Mr. PATEROS. It is variable.

Mr. FOGARTY. The average is 50-50.

Mr. HUGHES. Yes, it evens out close to 50-50, but the range is from 33 to 66.

STATES NOT MATCHING FULL ALLOTMENT

Mr. FOGARTY. Which States are not currently matching their full allotment of Federal funds?

Mr. PATEROS. We could pull that from the tables and furnish it for the record.

Mr. FOGARTY. All right.

(The information requested follows:)

States not currently matching their full allotment of Federal funds under the Library Services Act:

1962 allotment: Alaska, Kansas, and Massachusetts.

1962 allotment and available carryover allotment from 1961: Alaska, Connecticut, Delaware, Indiana, Kansas, Massachusetts, Nevada, New Jersey, Oklahoma, and Texas.

LIBRARY DEMONSTRATION PROJECTS

Mr. FOGARTY. What about these library demonstration projects mentioned on page 35? You say Tennessee and Missouri are achieving 100 percent success in such demonstrations.

Mr. HUGHES. Mr. Flynt, would you care to answer that question?

Mr. FLYNT. This program has a dimension in it that adds support to the demonstration. These States have been outstanding in developing a pattern of demonstration programs which are models for copying in other communities. That is the purpose of this reference.

Mr. FOGARTY. What kind of a demonstration is that? You do not say much in the justifications about this.

Mr. FLYNT. It is a type which would move into a rural county or a small town to establish a central service with bookmobiles and possibly a branch library to attempt to secure the utmost penetration in the community and to have additional personnel to study the operation and to be able to show people from other communities how it works. This is essentially the purpose of setting up a model operation

that would be emulated in other areas. That was one of the original purposes of the act.

Mr. FOGARTY. If you do not have trained librarians, would you use volunteers for these demonstration projects? Do they all have trained librarians?

Mr. FLYNT. Of course, there are not too many of them and generally speaking the main problem here is that it cannot be repeated in every community.

Mr. FOGARTY. I would think that if you are going to put on a demonstration project you would want the best. You would try to make sure that all librarians taking part in that particular project would be trained librarians.

Mr. FLYNT. That is true.

Mr. FOGARTY. The people would then get the best information available?

Mr. FLYNT. It is intended to be a model project with the best procedures and the best people. This means that any other community attempting to emulate this must recognize that it has to repeat it in the same terms.

We have a great shortage of library personnel and that is one of the great difficulties in pushing this program forward.

SALARIES FOR LIBRARIANS

Mr. FOGARTY. What is your opinion as to the salary level for librarians?

Mr. FLYNT. Generally speaking, historically, including the present, they are not paid as highly as other professional people.

Mr. FOGARTY. A lot of them are not paid at all.

Mr. FLYNT. We have much volunteer service but even those who are paid are not paid as much as they should be. For example, in the Federal service the librarian grades are not generally comparable to those of other professional people.

Mr. FOGARTY. It is getting to be more important all the time; is it not?

Mr. FLYNT. Yes; for the development of adult education programs, radio and television, and as the needs of educational participation mount, more and more demands are being made for library services.

It has been in geometrical progression rather than arithmetical.

Mr. FOGARTY. I think the Rural Library Services Act has generated more interest in this area.

Mr. FLYNT. Indeed it has.

Mr. FOGARTY. I think all librarians should be paid. If they were, we might get better service.

Mr. PATEROS. The practical problem in many of these demonstrations, and I managed to run into them on a regional conference, in a lot of States they do not have adequate staffs themselves and they are forced, under the program, to contract with a large city library and have to divert its staff to set up and establish and operate a demonstration center for a while.

Mr. FOGARTY. You are not setting a very good example yourself, are you, as far as a library staff is concerned? You do not have anything to brag about in that regard. Is that about right?

Mr. PATEROS. We have achieved a very high level of quality.

Mr. FOGARTY. I would not argue that point but you are still lacking personnel down there? We tried to help you last year.

Mr. FLYNT. Yes, and we are appointing three additional people, which your committee was generous enough to provide for.

Mr. FOGARTY. How many additional are you asking for in this year's budget?

Mr. FLYNT. No additional ones are being requested.

Mr. FOGARTY. Do you not think you could use some?

Mr. FLYNT. Yes, we could.

Mr. FOGARTY. I know the librarians think so.

POPULATION LIMITATION IN LIBRARY SERVICES ACT

Mr. FLYNT. We very definitely could. One of the great problems throughout the country is the limitation of 10,000 population in the Library Services Act which robs us of the leadership of the best library talent which exists in the library centers.

Mr. FOGARTY. There may be legislation introduced soon to eliminate that 10,000 figure. Do you think that it should be eliminated entirely or held down to, let us say, 50,000?

Mr. FLYNT. Well, if you are really going to bring the library services to the people of the country regardless of whether rural or urban, and you are going to utilize the leadership of the finest library cadres we would feel you would have to remove the limitation entirely.

Mr. FOGARTY. We have an excellent library in the city of Providence. It is supported by the city but we find many rural communities like the one I live in use the facilities of the Providence library. They are being called upon to provide more services every year for people from the surrounding area and for the schoolchildren who come into Providence and go to high school there.

Mr. FLYNT. That is right.

Mr. FOGARTY. It is not quite fair to call upon them to support library services for almost half of the State.

Mr. FLYNT. Rural areas, of course, have been denied the leadership of the strong library personnel to provide this. In the present program they are outside this program and we have developed a table which shows here what would happen if you went to intervals of 50,000, 100,000, or 250,000, and with no limit.

EFFECT OF REVISING POPULATION LIMITATION

Mr. FOGARTY. Should we eliminate the population limitation entirely or make it 50,000 or 100,000?

Mr. KELLY. Give the chairman those figures if you spent the same amount per capita.

Mr. FOGARTY. We will put the whole statement in the record.

(The statement referred to follows:)

STATEMENT OF STERLING M. McMURRIN, COMMISSIONER OF EDUCATION, ON EXTENSION OF LIBRARY SERVICES ACT TO URBAN AREAS

I appreciate your interest, Mr. Chairman, in the possibilities of amending the Library Services Act so as to extend it to communities above the present 10,000 population limitation. Reports from the States indicate that the inadequacy of library service and, in many communities, the total lack of library service is just as serious in urban and metropolitan fringe areas as it is in rural

areas. With the continuing movement of families into metropolitan centers, the problem will certainly become more urgent in the years ahead.

It is also true in many areas that an urban center is often the most logical and efficient base for the extension of library service to a fringe or rural area which is inadequately served or has no library service at all.

As a result, full recognition of the problem, and professional knowledge and experience, would lead to a recommendation that the population limit in the Library Services Act be eliminated entirely so that each State could develop a State plan for the most efficient and effective use of funds, resources, and personnel unhampered by artificial population and community boundary restrictions.

It is also a fact, however, that any increase in the present population limit in the Library Services Act with a proportional increase in the authorization would have a beneficial effect on this public library development program. There are now approximately 100 million persons living in areas which cannot benefit by the Library Services Act. State reports indicate that over 50 million of these have inadequate public library service or no service whatsoever. There are approximately 2,400 public library systems serving these areas. Following is a tabulation indicating the added number of people and libraries that would be included as the population limit was raised and the authorized appropriation required (based on added population included and increased costs of library materials and services).

Population limit	Population included	Libraries included	Authorization required
No limit.....	179,323,175	8,192	\$20,000,000
Under 250,000.....	139,962,244	8,102	16,000,000
Under 100,000.....	128,309,818	7,938	15,000,000
Under 50,000.....	114,473,916	7,569	13,000,000

As you have observed, Mr. Chairman, the Library Services Act has been a most effective program in bringing the advantages of libraries with their books and other informational and educational materials to millions of our rural children and adults. We also agree that these benefits and opportunities are needed just as urgently in our urban and rapidly expanding metropolitan areas. Following are some of the factors involved:

1. The toughening of curriculum requirements in high schools and colleges and increased stress on independent study have resulted in overwhelming demands on public libraries for study and research materials, particularly in areas of high population density.

2. The need of adults for continuing education, inservice training, and job refraining materials is also creating heavier demands on public library service, particularly in urban areas.

3. The problems of the aging and juvenile delinquency are most prevalent and serious in urban areas. Library service and library materials of high quality are needed to contribute to the solution of these problems.

Again, I want to express my appreciation of your interest in libraries, Mr. Chairman, and offer to you every possible means of cooperation.

OFFICE OF EDUCATION LIBRARY STAFF

Mr. FOGARTY. How many more people do you think you should have in your library services division? The American Library Association is going to be here, too. They are going to tell us what they think, so tell us what you think.

Mr. FLYNT. We have a good staff, Mr. Chairman. It is a minimum staff.

Mr. FOGARTY. You do not have enough; I know that.

Mr. FLYNT. In some areas we have had to give primary attention to the administration of this act and have had to give a lesser priority to our concern with the college and university libraries, to the large urban collections and their archival implications, and to training. These are the three areas where we need more people.

COLLEGE LIBRARY PROBLEMS

Mr. FOGARTY. From what I have been reading about the libraries of schools of higher learning, they need a lot of help, also.

Mr. FLYNT. Especially the small liberal arts schools.

Mr. FOGARTY. It is impossible for them to keep up with the new books they need every year, is it not?

Mr. FLYNT. The smaller liberal arts colleges are faced with keeping up adequate collections to support a modern scientific program. This is a problem they are really up against. A small liberal arts college must offer a physics program, a chemistry and scientific program and if so, it is finding it enormously expensive.

OFFICE OF EDUCATION LIBRARY

Mr. FOGARTY. You are not providing good leadership as far as keeping your own library up to standard, are you? What has happened in your own library in the last 10 or 15 years as far as adding new books and replacing old ones is concerned?

Mr. FLYNT. We have made only moderate progress.

Mr. FOGARTY. It is a pretty sorry record.

Mr. KELLY. Yes, it is.

Mr. FOGARTY. You have gone downhill.

Mr. KELLY. We are working with the Office of Education now in terms of actual physical location of the collection in their new building so that it will facilitate their operations. We are also just getting completed a study which is tending to lead us to the conclusion we should arrange for each of the operating agencies to budget for their own collection, that is, those books which are specifically for their purpose, and purchase in the Office of the Secretary only those books which will service two or more of the agencies in order that the degree of priority an agency puts on a library service will not be restricted by the availability of funds in the Office of the Secretary.

We would still have to provide for probably the cataloging and the servicing of the collection.

Mr. FOGARTY. Maybe you are talking about it and thinking about it, but in action you have been going downhill.

Mr. KELLY. I think we recognize that the total problem of library collection has not been as well handled, particularly for the kind of organization that we have, and that we are not providing nearly the services we think would be desired in that setup.

Mr. FOGARTY. How can we find out what is needed?

Mr. KELLY. We are just completing a report with respect to it and we will endeavor to identify our deficiencies and the steps taken to correct them.

Mr. FOGARTY. When will that report be available?

Mr. KELLY. I would suspect within another 6 weeks.

Mr. FOGARTY. It will take 6 weeks?

Mr. KELLY. Yes.

INCREASED LIBRARY SERVICES STAFF

Mr. FOGARTY. What is the answer to my earlier question concerning the need for jobs in the Library Services Branch?

Mr. FLYNT. The Library Services Branch could probably use eight more people within the year but the request—

Mr. FOGARTY. Give us a breakdown of those eight people and the amount of money needed to put on eight additional people.

(The requested information follows:)

Library education specialist, GS-13: To provide information on library school curriculums, faculty, and students, to analyze need for trained librarians in higher education, elementary and secondary schools, public libraries and research libraries, to provide consultative services to graduate and undergraduate library school directors and university administrators; to do research on the impact of new developments, such as automatic data processing on training for librarianship.

Public library specialist in adult education and aging, GS-13: To provide advisory services to assist State library extension agencies and local public libraries in their development of effective progress in informal adult education, including service to the aging, science education, and general adult education; to act as a clearinghouse of information of current public library programs and services for adults, including preretirement planning services to the handicapped and shut-ins; program planning for community organizations and groups on current issues of local, State, National, and international concern; and on the library as a community educational center for informal education through forums, discussion groups, film programs; to provide liaison with other governmental agencies and national associations working in these fields.

Public library specialist in work with children and youth, GS-13: To provide research and consultant services to public libraries and State library extension agencies on problems of reading and meeting library needs of children and youth; to coordinate work schools and public libraries for this age group from elementary through junior high school level.

Library administration specialist, GS-13: To provide research and consultant services to institutions of higher education on problems of providing library facilities, collections, and services for a rapidly expanding student body; to investigate the effect of student and faculty research, independent study programs, and extensive courses, programs on library needs; to study library building and finance problems with emphasis on new developments in communication techniques and organization.

Project analysts (2), GS-7: To support and assist in the work of the specialists in the preparation and analysis of studies and surveys; to collect and organize materials for the specialists' fieldwork and to assist in the followup of these contacts; and to handle routine correspondence.

Clerk-stenographers (2), GS-5: To provide supporting clerical assistance for the added positions.

Total of eight positions at \$89,000.

ACQUISITIONS

Mr. HUGHES. It would be of interest to the committee to know that the acquisitions which the Department has been able to budget for educational materials has averaged somewhere around \$2,500 per year as against a figure of six or seven times that amount which was budgeted formerly within the Office of Education. I think the suggestion Mr. Kelly makes that the budget responsibility for acquisition be transferred to the operating agencies would at least be borne out by our experience.

Mr. FLYNT. When we turned the library over to the Department, it was receiving \$22,000 for new acquisitions alone. This is more than the total acquisitions that the Department has now for the entire library, excepting the law library.

Mr. FOGARTY. What did you use this year?

Mr. KELLY. We are spending about \$20,000; and about \$10,000 is, as I recall, for the law library. This is a minimum requirement for the maintenance of the law library.

Mr. FLYNT. It is very expensive to keep the legal library up to date.

Mr. FOGARTY. We did something about it as far as medicine is concerned with this new library out in Bethesda, which we hope is going to be the best in the world; is that right?

Mr. KELLY. Yes, but this does not obviate the necessity for a current collection of health volumes in the downtown area for the benefit of those——

Mr. FOGARTY. I realize that. I did not say it for that purpose.

COMPARISON WITH DEPARTMENT OF AGRICULTURE LIBRARY

Mr. FLYNT. We formed an agreement with the Library of Congress, Mr. Chairman, about 14 years ago in which they entered into an agreement with us and the Department of Agriculture that they would not undertake a major operating collection in the field of education but leave that to us as they would leave agriculture to the Department of Agriculture.

Mr. FOGARTY. What does the Department of Agriculture spend per year?

Mr. FLYNT. I do not know exactly but they have a large——

Mr. KELLY. I could get that for you. I think it is contained in the report.

Mr. FLYNT. It is quite large.

Mr. FOGARTY. Give us some idea and then correct the figure in the record.

Mr. KELLY. I may be wrong but I think it approximates \$100,000 a year.

(The Department of Agriculture informs us they are spending about \$60,000 a year for books and periodicals.)

Mr. KELLY. One of the reasons we got into that is that the Food and Drug Administration is currently largely serviced by the Department of Agriculture Library. When we move into our new building we have to provide library services for those scientists now dependent on the Agriculture Library.

Mr. FLYNT. I believe that is substantially correct. It is somewhere in the order of that figure.

RURAL AREAS LACKING LIBRARY FACILITIES

Mr. FOGARTY. You say there are still 24 million people in rural areas without library services; is that about right?

Mr. PATEROS. That is about right.

Mr. FOGARTY. What is your definition of a rural area?

Mr. FLYNT. The census definition is 2,500 and below but the Library Services Act definition is 10,000 and below.

This means that in many suburban areas, communities hitherto enjoying the benefits of the program have grown out of the program and have become ineligible. This is another very serious matter.

BUDGET REQUEST FOR ADDITIONAL LIBRARY POSITIONS

Mr. FOGARTY. Did you ask for any additional positions for the library?

Mr. KELLY. Yes, sir. We have them in the office of the secretary's budget. I think there are six additional positions for the central library.

Mr. FOGARTY. Who knocked it out, the Bureau of the Budget?

Mr. KELLY. No; it is in the office of the secretary's budget.

TRAINING LIBRARIANS

Mr. FOGARTY. Is your Department thinking of any program to train more librarians or to stimulate some more action in this area?

Mr. FLYNT. Of course, when the National Defense Education Act was passed, there was some concern for the relative degree to which title 4 of the graduate fellowship program would serve the libraries. It is apparent that it is not going to serve to any large extent and, also, if it did so, it would be only at the highest level to train faculty members for library schools. It is very clear, it seems to us, that some kind of institute program or specialized short-term training program to upgrade the staffs serving the school libraries is particularly in order.

Mr. FOGARTY. If you had some additional positions could they be used to give special attention to assessing the programs for training and working with colleges and universities to develop opportunities for such training?

Mr. FLYNT. Indeed they could.

Mr. FOGARTY. Do you think that is necessary?

Mr. FLYNT. Yes; we think it is very important.

IMPORTANCE OF LIBRARIES TO ALL AGE GROUPS

Mr. FOGARTY. Of course, libraries are not just for kids. Our aging population is making more use of libraries every day and it has been said that we could make a better fight on juvenile delinquency if we had more direction provided for some of the younger people. Libraries could have some effect on the juvenile delinquency problem.

Do you agree?

Mr. McMURRIN. I certainly agree with that, Mr. Fogarty. You will be interested in noting that in our new organizational chart, in keeping with the principles which you just indicated, we have the Library Services Branch under the Division of Continuing Educational and Cultural Affairs, which is the adult education branch, and for the very reason that you have indicated, as the best place to administer it.

Mr. FOGARTY. We found it to be a very popular program and I am convinced that we ought to do more in this area. We ought to try to get rid of this ceiling and do a real job and not confine it to rural areas.

ROLE OF LIBRARIES IN EDUCATION

Mr. McMURRIN. I would like to say, also, in support of the position you have indicated, that the libraries, both community libraries and rural libraries, and also school and university libraries, are going to play a larger and larger role in the formal education of the country in the future, for the simple reason that a larger use of libraries is one of the ways in which education is likely to help solve some of its economic problems—by having students spend a larger percentage of their time with libraries, especially in the colleges and universities, rather than with their teachers.

There will be more independent study.

Mr. FLYNT. The legislation which has been proposed by the administration provides for an attack on adult illiteracy and would place and additional burden on the libraries.

Mr. FOGARTY. You all agree this is a very important program and a program which should be expanded?

Mr. McMURRIN. I would like to say, also, that my experience over the past year has been that the people in the library association and the librarians have found this program not only an unusually valuable one, but they seem to have been very pleased with the manner in which it has been administered in the Office of Education.

I have encountered quite remarkable praise for the way in which this particular program has been administered.

Mr. FOGARTY. I have had no complaints at all.

PAYMENTS TO SCHOOL DISTRICT

Object classification

[In thousands of dollars]

	[1961 actual	1962 estimate	1963 estimate
OFFICE OF EDUCATION			
41 Grants, subsidies, and contributions.....	214, 660	231, 161	232, 152
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	46	57	63
Positions other than permanent.....	10	14	17
Other personnel compensation.....	10	11	12
Total personnel compensation.....	66	82	92
12 Personnel benefits.....	2	3	3
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	2	1	2
25 Other services.....	22	21	22
26 Supplies and materials.....	3	9	11
31 Equipment.....	1	7	3
41 Grants, subsidies, and contributions.....	9	11	11
Subtotal.....	106	136	146
Deduct quarters and subsistence charges.....	3	4	5
Total, allocation accounts.....	103	132	141
Total obligations.....	214, 763	231, 293	232, 293
Obligations are distributed as follows:			
Office of Education.....	214, 660	231, 161	232, 152
Federal Aviation Agency.....	79	99	108
Department of the Interior.....	15	22	22
Veterans Administration.....	9	11	11

Personnel summary

	1961 actual	1962 estimate	1963 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	8	10	11
Full-time equivalent of other positions.....	2	2	3
Average number of all employees.....	9	11	12
Number of employees at end of year.....	2	3	3
Average GS grade.....	9.0	8.8	8.8
Average GS salary.....	\$6,516	\$6,410	\$6,444

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Payments to local educational agencies.....	203,234	216,293	216,293
2. Payments to other Federal agencies.....	11,529	15,000	16,000
Total program costs—obligations.....	214,763	231,293	232,293
Financing: Unobligated balance lapsing.....	2,537		
New obligational authority (appropriation).....	217,300	231,293	232,293

Mr. FOGARTY. We will put your statement on payments to school districts in the record at this point.
(The statement follows:)

STATEMENT BY COMMISSIONER OF EDUCATION ON PAYMENTS TO SCHOOL DISTRICTS,
OFFICE OF EDUCATION

Public Law 874, as amended, authorizes payments to school districts for maintenance and operation of schools in those situations where the United States has placed financial burdens on the local educational agencies due to the fact that (a) local revenues of such agencies have been reduced as a result of the acquisition of real property by the United States; or (b) that such agencies provide free public education for children residing on Federal property and/or residing with a parent employed on Federal property; or (c) that such agencies have had a sudden and substantial increase in school attendance as a result of Federal activities. In addition, the law authorizes the Commissioner to arrange for the education of children residing on Federal property when no State or local funds may be expended for their free public education. The program of Federal financial assistance for maintenance and operation of schools in federally affected areas was extended by Public Law 87-344 through fiscal year 1963 for all categories of Federal connection.

The fiscal year 1963 appropriation request for "Payments to school districts" amounts to \$232,293,000, an increase of \$1 million over the \$231,293,000 appropriated by Congress for fiscal year 1962. This will provide for payment of entitlements for local school districts in the same cash amount as is authorized in 1962. Approximately 4,200 local educational agencies educating an estimated 1,830,000 children who reside on Federal property and/or reside with a parent employed on Federal property.

1963 BUDGET REQUEST

Mr. FOGARTY. The appropriation for 1962 is \$231,293,000 and the request for 1963 is \$232,293,000, an increase of \$1 million. The increase is for direct operations of Federal agencies.

We went over these changes this morning, the changes proposed by the administration last year. We will not go into that again because this committee probably is not going to pay much attention to those

proposed changes anyway. We will do the right thing and appropriate the funds the law provides for.

ACTION ON FUNDS FOR 1962

Our committee last year gave you what was requested in the budget because the temporary features of the law had not been extended by the time we took action. Then when the law was extended, what was it, 3 years?

Mr. GRIGSBY. Two years.

Mr. FOGARTY. Then you went to the Senate with a supplemental request?

Mr. GRIGSBY. That is correct.

Mr. FOGARTY. Tell us the history of that request.

Mr. GRIGSBY. When the law was extended by Public Law 87-344, approved October 3, 1961, we caught the final deficiency or supplemental on the Senate side. The Senate put in the full amount necessary to pay entitlements in full as nearly as we could estimate, and that was \$250 million minus the \$85.7 million that had been allowed in the House. In conference, the conference committee cut it back from \$164,346,000, the Senate allowance, to \$145,593,000, which was the amount that came out of the conference, making the total \$231,293,000.

Mr. FOGARTY. It was then figured you needed \$164,346,000 more to meet 100 percent of what they are entitled to under the extended act?

Mr. GRIGSBY. That is correct. The Senate allowed that full amount and in conference it was cut back.

Mr. FOGARTY. What did you ask the Senate for? What was your supplemental request of the Senate?

Mr. GRIGSBY. My recollection is that we asked for the lesser amount.

Mr. FOGARTY. \$129,300,000. Was that because of the policy of the administration to cut back and take into consideration the amendments that were before the committee rather than the law?

Mr. KELLY. It did not go as far, Mr. Chairman, as the amendments would have gone in reducing the amount of Federal assistance to these areas. I think it was designed to provide 85 percent of the estimated full entitlement because of the President's feeling that he did not wish to recommend investment of Federal funds as large as 100 percent of the entitlement program.

ADDITIONAL FUNDS NEEDED IN 1962

Mr. FOGARTY. In 1962, this fiscal year we are in now, how much are you short of meeting 100 percent of what these school districts are entitled to?

Mr. GRIGSBY. As near as we can estimate at the present time, we are short by \$15,707,000.

Mr. KELLY. That is Public Law 874.

Mr. FOGARTY. You need that to keep our word with the school districts.

You are going to request a supplemental for that in 1962?

Mr. KELLY. There are no present plans to do so.

EFFECT OF FAILURE TO PAY ENTITLEMENTS

Mr. FOGARTY. What happens then? What is going to happen to these school districts if they do not get this \$15,707,000? Give me two or three examples you can think of. You must have some in your mind.

Mr. GRIGSBY. On the basis of 1961 applications, for 65 percent of the federally affected school districts receiving money under Public Law 874 the payments received will constitute less than 5 percent of their expenditure budgets for the current year. If we fall short some 8 percent in paying the amount they had expected, it would be a relatively minor portion of their budget, four-tenths of 1 percent.

I do not think those school districts are likely to be very seriously hurt.

On the other hand, school districts which are dependent, let us say, for as much as 20 percent of their current year's budget—

Mr. FOGARTY. Some of them depend on more than 20 percent?

Mr. GRIGSBY. Some of them even up to 80 and 90 percent, but there are relatively few in that situation.

For them, it would be disastrous because they have no other source to which to turn in the current year.

Mr. FOGARTY. Provide for the record a breakdown of the schools for which this money represents 5 percent or more of their budget.

Mr. GRIGSBY. Very well.

Mr. FOGARTY. By States and community.

Mr. GRIGSBY. It might be a little difficult. It would be quite a long document if you do it by States and communities. We could do it rather readily overall, the percentage of distribution of the total number of school districts.

Mr. FOGARTY. That is not too much of a job, is it?

Mr. KELLY. I think we could compile it on the basis of using the last actual year, and I think Mr. Grigsby indicated that it would be a very extensive insert, to list all of the communities. Perhaps it would serve your purpose if we gave you the amount by States, for those that were more than 5 percent, and then give it to you by communities where it was more than 50 percent.

Mr. FOGARTY. How about States and congressional districts?

Is that more difficult to provide, by congressional districts?

Mr. HUGHES. No; that can be done.

Mr. FOGARTY. All right; we will put it in the record when you get it to us.

(The information supplied follows:)

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961

State	Congressional district	Name of district	Fiscal year 1961 not entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Alabama	8th	Huntsville City Board of Education	\$755,514	\$889,082	\$817,955	\$1,020,666	\$826,739
	2d	Montgomery County Board of Education	566,589	623,700	573,804	716,008	573,966
	4th	City of Selma Board of Education	71,226	71,100	65,412	81,623	66,115
	3d	Ozark City Board of Education	88,290	98,100	90,252	112,619	91,221
	4th	Anniston City Board of Education	128,354	125,008	115,007	143,509	116,222
	3d	Macon County Board of Education, Tuskegee	66,358	91,170	83,876	104,663	84,777
	3d	Calhoun County Board of Education, Anniston	166,510	171,247	157,547	196,592	139,240
	3d	Enterprise City Board of Education	75,556	89,100	81,972	102,287	82,852
	2d	Baldwin County Board of Education, Bay Minette	111,297	122,400	112,608	140,515	113,817
	8th	Madison County Board of Education, Huntsville	160,282	182,080	167,514	209,028	169,313
	8th	Tusculum Public Schools	28,088	33,400	30,728	38,343	31,058
	1st	Mobile County Board of School Commissioners	1,000,216	1,181,395	1,086,883	1,356,211	1,098,555
	8th	Sheffield City Board of Education	45,079	51,210	47,113	58,789	47,619
	8th	Florence City Board of Education	81,120	110,549	101,705	126,910	102,797
	3d	Dale County Board of Education, Ozark	205,276	279,000	256,680	320,292	259,437
	4th	Jacksonville City Schools	42,509	50,760	46,699	58,272	47,200
	2d	Florida City Board of Education	6,027	6,300	7,292	7,292	5,858
	8th	Lauderdale County Board of Education, Florence	83,870	96,338	88,631	110,596	89,583
	5th	Marshall County Board of Education, Guntersville	102,274	116,183	106,888	133,378	108,036
Alaska	3d	Phenix City Board of Education	47,456	53,910	49,597	61,889	50,130
	8th	Morgan County Board of Education, Decatur	63,662	69,223	63,685	79,403	64,369
	8th	Athens City Board of Education	46,097	52,200	48,024	59,926	48,540
	8th	Muskele Shoals City Board of Education	15,235	22,189	20,414	25,473	20,633
	At large	Alaska Department of Education, Juneau	6,125,498	4,588,090	4,211,043	5,297,127	4,296,373
	do	Sitka Independent School District	38,699	31,354	28,846	35,994	29,155
	do	Nenana School District	7,468	8,484	7,805	9,740	7,889
	do	Palmer Independent School District	39,464	44,831	41,245	51,466	41,687
	do	Anchorage Independent School District	644,591	732,255	673,675	810,629	680,909
	do	Kodiak Independent School District	42,092	43,080	39,588	49,398	40,012
	do	Fairbanks Independent School District	282,875	321,346	295,638	368,905	298,813
	do	Nome Public School District	29,737	17,170	15,796	19,711	15,996
	do	Ketchikan Independent School District	60,967	62,747	57,727	72,084	58,348
	do	Haines Independent School District	9,233	12,523	11,521	14,376	11,645
	do	Klawock City School District	8,147	7,460	6,863	8,564	6,937
	do	Juneau-Douglas Independent School District, Juneau	52,006	57,551	52,947	66,069	53,516
do	North Pole School District	6,925	5,462	5,025	6,270	5,079	
do	Wrangell Public Schools	8,147	7,993	7,355	9,176	7,433	

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Alaska	At large.....	Craig City School District.....	\$7,332	\$8,329	\$7,663	\$9,562	\$7,745
	do.....	Hoonah Public School District.....	45,488	46,893	43,142	45,883	43,605
	do.....	Kaka School District.....	16,023	16,786	15,443	19,270	15,609
	do.....	Yakutat City School Board.....	5,975	6,788	6,245	7,793	6,312
	do.....	Unalakleet School District.....	3,666	4,165	3,832	4,781	3,873
	do.....	Seward Public Schools.....	24,984	23,980	22,062	27,829	22,298
	do.....	Kenai City School District.....	22,948	23,069	23,983	29,927	24,241
	do.....	King Cove School District.....	6,925	7,867	7,238	9,031	7,315
	24.....	Bullhead City School District No. 15.....	7,526	3,956	7,238	4,541	3,678
	24.....	Parker School District No. 27.....	109,982	100,426	92,392	115,289	98,384
Arizona	1st.....	Williams Air Force Base Accommodation School District.....	90,485	92,994	85,555	106,757	86,473
	24.....	Indian Oasis School District No. 40, Sells.....	27,173	31,512	28,991	36,176	29,303
	24.....	Fort Defiance School District No. 8.....	288,073	455,002	418,602	522,342	423,097
	24.....	Fort Huachuca Accommodation School, Bisbee.....	282,210	305,835	281,368	351,090	284,330
	24.....	Roosevelt Elementary School District No. 3.....	2,386	2,710	2,493	3,111	2,520
	24.....	Tuba City School District No. 15.....	115,291	133,961	123,244	153,767	124,567
	24.....	Whitewater Elementary School District No. 20.....	102,054	113,231	104,173	129,989	105,291
	24.....	Keams Canyon School District No. 25.....	17,309	19,663	18,090	22,573	18,284
	24.....	McNary School District No. 23.....	68,671	78,016	71,789	86,555	72,540
	24.....	Alchesay High School District, White River.....	36,730	39,802	36,425	46,432	37,816
	1st.....	Horse Mesa Accommodation Schools, Phoenix.....	3,010	3,419	3,145	3,925	3,179
	24.....	Granado School District No. 19.....	106,830	143,931	132,463	166,260	133,885
	24.....	Chino School District No. 24.....	140,555	161,170	158,271	188,023	149,809
	24.....	Rice School District No. 20, San Carlos.....	146,285	163,932	158,517	175,994	159,449
	24.....	Buena High School District, Sierra Vista.....	115,565	131,932	121,405	151,422	122,709
	24.....	Sacaton Consolidated School District No. 18.....	23,369	28,583	26,345	33,123	26,880
	24.....	Fort Thomas School District No. 7.....	23,065	24,381	22,615	28,219	22,837
	24.....	Coolidge High School District.....	10,544	11,978	11,020	13,751	11,138
	24.....	Peach Springs School District No. 8.....	17,569	16,915	15,362	19,418	15,729
	24.....	Valentine School District No. 22.....	21,258	16,915	15,362	3,627	2,938
	24.....	Tucson Elementary School District No. 1.....	665,069	646,175	594,481	741,809	600,805
	1st.....	Tucson High School District.....	358,774	366,302	336,998	420,515	340,617
	24.....	Litchfield School District No. 79, Litchfield Park.....	14,580	16,289	14,866	18,700	15,147
	24.....	Northern Yuma County Unified High School District, Parker.....	35,588	46,577	42,207	52,667	42,660
	24.....	Wellton School District No. 24.....	7,431	7,700	7,084	8,840	7,100
	24.....	Flagstaff School District No. 1.....	68,013	77,263	71,082	88,698	71,846
	24.....	Grand Canyon Elementary School District No. 4.....	14,727	14,727	13,549	16,907	13,695
	24.....	Yuma Elementary School District No. 1.....	28,123	132,778	122,136	167,429	123,467

2d	-----	65,378	69,598	64,030	79,899	64,718
2d	-----	27,280	30,990	28,511	35,577	28,817
2d	-----	1,129	786	723	902	731
2d	-----	27,799	38,614	35,525	44,329	35,906
1st	-----	17,134	18,757	19,464	21,533	18,099
1st	-----	10,160	18,757	17,256	17,442	17,442
1st	-----	39,159	44,283	40,740	50,887	41,178
1st	-----	36,781	35,539	32,696	40,799	33,047
2d	-----	39,321	66,687	61,352	76,557	62,011
2d	-----	2,288	2,565	2,360	2,945	2,385
2d	-----	33,288	35,661	32,808	40,939	33,161
2d	-----	40,262	42,667	42,078	52,506	45,530
2d	-----	11,151	12,667	11,654	14,542	11,779
2d	-----	23,346	37,966	34,929	43,585	35,304
2d	-----	7,749	10,012	9,211	11,494	9,310
2d	-----	4,021	4,673	4,299	5,365	4,346
2d	-----	30,791	34,978	32,180	40,155	32,526
2d	-----	11,888	16,296	14,902	18,708	15,153
2d	-----	10,490	11,917	10,964	13,681	11,082
2d	-----	8,533	8,554	7,870	9,820	7,954
2d	-----	3,131	3,557	3,272	4,083	3,307
2d	-----	2,313	2,628	2,418	3,017	2,444
2d	-----	1,316	2,369	2,179	2,720	2,203
1st	-----	139,223	158,157	145,504	181,564	147,067
2d	-----	9,615	10,923	10,049	12,540	10,157
2d	-----	2,070	2,352	2,164	2,700	2,187
2d	-----	11,189	12,711	11,694	14,592	11,820
5th	-----	354,286	517,590	476,183	594,133	481,296
3d	-----	11,645	13,094	12,118	15,486	10,861
6th	-----	73,047	73,190	69,138	86,272	18,313
1st	-----	76,000	138,770	127,068	139,308	123,039
1st	-----	51,785	42,210	38,533	48,457	39,230
2d	-----	17,912	20,348	16,720	23,300	18,922
2d	-----	2,546	2,892	2,661	3,320	2,689
2d	-----	6,052	6,875	6,325	7,893	6,483
2d	-----	4,214	4,821	4,435	5,535	4,483
13th	-----	878,202	927,826	853,000	1,005,144	802,767
13th	-----	255,688	282,124	259,554	323,878	262,341
28th	-----	4,783	5,433	4,998	6,237	5,502
3d	-----	363,934	448,169	412,315	514,498	416,743
18th	-----	281,073	362,751	333,731	416,438	337,315
28th	-----	48,353	54,929	50,535	63,058	51,077
28th	-----	210,204	255,415	234,982	293,216	237,505
13th	-----	130,262	181,533	167,010	208,400	168,804
3d	-----	6,769	8,800	8,096	10,102	8,183
3d	-----	139,255	145,411	133,778	166,932	135,215
3d	-----	41,099	39,909	36,716	45,816	37,111
30th	-----	289,661	301,164	277,071	345,736	280,046
1st	-----	9,671	10,540	9,697	12,100	9,801
3d	-----	348,138	391,003	359,723	448,871	363,586

Arkansas

California

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)			Fiscal year 1963 (estimated)		
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction		
California	3d	Del Paso Heights Elementary School District, North Sacramento.	\$26,400	\$31,313	\$28,808	\$35,947		\$29,117	
	6th	Vallejo Unified School District.	863,210	980,607	902,158	1,125,737		911,847	
	13th	Oxnard School District.	137,804	153,495	141,215	176,212		142,752	
	21st	Herrling School District.	81,135	88,194	76,538	95,507		77,361	
	28th	Fallbrook Unified High School District.	103,432	110,798	101,934	127,196		103,029	
	3d	Alameda Unified School District.	498,088	568,447	530,331	661,761		536,026	
	8th	Grant Unified High School District, Del Paso Heights.	292,821	347,567	319,762	399,007		323,196	
	28th	Fallbrook Unified School District.	198,073	236,349	217,379	277,609		222,083	
	28th	Oceanside-Carlsbad Unified High School District.	138,110	192,803	177,379	221,338		179,284	
	28th	Oceanside Unified School District.	369,584	420,102	386,494	482,277		390,614	
	14th	China Lake Joint School District.	441,555	444,230	408,692	509,976		413,081	
	27th	Barstow Unified School District.	190,508	242,113	222,744	277,946		225,136	
	13th	Orcutt Unified School District.	112,178	172,631	158,821	198,180		160,526	
	11th	Southern Kern County Unified School District, Rosamond.	35,213	43,619	40,129	50,075		40,561	
	12th	Manteca Unified High School District.	216,136	251,220	231,122	288,401		233,605	
	8th	Arwater Unified School District.	68,205	86,812	61,467	76,700		62,127	
	1st	Pleasanton Joint Elementary School District.	46,902	58,281	49,019	61,167		49,545	
	21st	Salvador Unified School District, Napa.	309,199	353,281	276,183	344,628		279,149	
	13th	Antelope Valley Joint Unified High School District, Lancaster.	53,575	57,305	52,721	65,786		53,287	
	29th	Rio Elementary School District, Oxnard.	204,198	282,091	262,284	327,284		265,100	
	21st	Koppel Unified School District, Little Rock.	17,289	19,640	18,069	22,547		18,263	
	1st	San Rafael High School District.	113,038	128,411	118,138	147,416		119,407	
	25th	Valle Lindo School District, El Monte.	54,827	62,315	57,333	71,541		57,948	
	3d	Brophy School District, Marysville.	87,837	101,533	91,412	113,792		97,427	
	13th	Ocean View School District, Oxnard.	82,683	95,065	87,460	109,135		88,309	
	3d	Wheatland School District.	212,731	311,180	280,290	357,242		289,366	
	8th	Amador Valley Joint Unified School District.	17,840	207,885	191,846	238,767		193,401	
	8th	Green School District, Livermore.	19,980	26,933	24,799	30,944		25,065	
	1st	San Jose School District, Hamilton Air Force Base.	4,265	4,447	4,447	5,349		4,495	
	28th	Vallejos School District, Falmouth.	248,399	276,189	254,094	317,065		256,823	
	2d	Loomis Unified School District.	3,481	4,450	2,260	2,819		2,283	
	21st	Westside Unified School District, Lancaster.	13,732	17,908	16,475	20,358		16,622	
	2d	Lincoln Unified School District.	44,290	50,313	46,288	57,739		46,785	
	13th	Pleasant Valley School District, Camarillo.	16,440	19,443	17,888	22,321		17,980	
	30th	Sweetwater Unified School District, Chula Vista.	97,478	116,656	107,324	133,921		108,971	
			351,355	399,173	367,239	458,251		371,183	

2d	Tulake Joint School District	6,344	6,754	6,214	7,754	6,281
13th	Moorepark Unified School District	16,440	16,884	15,533	19,383	15,700
2d	Bureka Unified School District, Roseville	4,738	9,055	8,331	10,395	8,420
1st	American Canyon School District, Vallejo	35,878	40,757	37,496	46,789	37,890
1st	Carreros-Los Amigos Unified School District, Napa	2,611	4,400	4,048	4,051	4,091
1st	Soda Canyon School District, Napa	1,354	1,538	1,415	1,766	1,430
27th	Highland School District	29,688	33,726	31,028	38,717	31,361
28th	San Joaquin School District, Irvine	90,902	106,415	97,902	122,164	98,953
2d	Roseville Joint Unified School District	67,831	114,997	105,797	132,017	106,934
27th	Mill School District, San Bernardino	5,802	6,591	6,064	7,566	6,126
2d	Trinity County High School District, Weaverville	35,212	40,001	36,801	45,921	37,198
12th	Moreno Unified High School District	127,321	166,943	153,588	191,651	155,237
13th	Mesa Unified School District, Camarillo	6,479	5,117	4,708	5,874	4,758
13th	College School District, Santa Ynez	16,751	14,247	13,107	16,356	13,248
13th	Santa Ynez Valley Unified High School District	23,908	27,159	24,986	31,179	25,270
12th	Friant Unified School District	2,120	2,408	2,215	2,764	2,239
28th	Bonsall Unified School District	7,059	8,019	7,377	9,203	7,457
2d	Jonesville Unified Elementary School District, Susanville	4,835	5,493	5,054	6,303	5,108
2d	Newell Unified School District, Tulake	7,706	8,754	8,054	10,050	8,141
28th	Tustin Unified High School District	58,349	77,127	70,957	88,542	71,719
3d	Ella School District, Olivehurst	23,596	41,341	38,034	47,450	38,442
13th	Cambria Unified School District	6,866	7,777	7,155	8,928	7,232
28th	Poway Unified School District	58,721	58,426	53,752	67,073	54,229
13th	Two Rock Unified School District, Petaluma	8,317	9,418	8,692	10,846	8,735
3d	San Antonio Unified School District, Lookwood	15,923	18,089	16,642	20,760	18,890
11th	Linda School District, Marysville	29,012	46,019	42,365	52,861	42,895
28th	Mateca School District	37,123	41,414	38,128	47,578	38,588
11th	French Camp School District	8,510	9,667	8,894	11,098	8,989
28th	Los Alamitos School District	73,820	83,570	77,100	96,253	77,989
14th	Muroe Unified School District	434,129	505,918	465,445	580,791	470,443
30th	Orange Glen School District, Escondido	14,506	16,479	15,160	18,918	15,324
13th	Casmalia School District	1,547	1,757	1,616	2,017	1,634
16th	Three Rivers Unified School District	9,961	11,316	10,411	12,991	10,523
4th	Tolamas School District, Fairfield	3,095	3,516	3,235	4,036	3,269
1st	Novato Unified School District	92,085	104,699	96,240	120,091	97,274
12th	Winton	28,818	35,202	32,386	40,412	32,734
6th	Dover School District, Fairfield	1,547	1,757	1,616	2,017	1,634
2d	Dry Creek Joint School District, Roseville	2,901	3,582	3,285	4,112	3,331
3d	Center Joint School District, North Highlands	112,738	126,378	116,208	145,082	117,516
1st	Suisun Valley Joint Unified School District	4,255	4,834	4,447	5,549	4,495
1st	Old Adobe Unified School District, Petaluma	9,671	10,986	10,107	12,612	10,216
6th	Falls School District, Suisun	2,417	2,746	2,526	3,152	2,553
1st	Round Valley Unified High School District, Covelo	8,339	7,534	6,931	8,649	7,006
1st	Browns Valley School District, Napa	3,578	4,065	3,740	4,667	3,780
2d	Lewiston School District	38,506	34,922	32,128	40,090	32,473
2d	Trinity Center School District, Weaverville	3,583	4,070	3,744	4,672	3,784
2d	Arastraville School District, Tuolumne	1,257	1,428	1,314	1,639	1,328
1st	Round Valley Unified School District, Covelo	8,510	14,317	13,172	16,436	13,313
1st	Arena Unified School District, Point Arena	7,639	8,019	7,377	9,206	7,457
2d	Alturas School District	2,804	3,761	3,460	4,318	3,498
2d	Mount Bidwell School District, Fort Bidwell	3,684	3,281	3,019	3,767	3,051

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874			Fiscal year 1962 (estimated)			Fiscal year 1963 (estimated)		
			Net entitlement under Public Law 874			Effect of 8-percent reduction			Net entitlement under Public Law 874		
California	30th	Warner Unified School District.....	\$7,379	\$6,754	\$6,214	\$6,754	\$6,214	\$6,214	\$7,754	\$6,281	\$6,281
	21st	Wilson School District, Lancaster.....	2,901	3,296	3,082	3,296	3,082	3,082	3,784	3,065	3,065
	1st	Klamath-Trinity Joint Unified School District, Hoopa.....	78,957	71,797	66,053	71,797	66,053	66,053	82,423	66,763	66,763
	13th	Nipomo Unified School District.....	12,572	15,861	14,592	15,861	14,592	14,592	18,208	14,748	14,748
	13th	Los Alamos School District.....	7,253	7,163	6,590	7,163	6,590	6,590	8,223	6,661	6,661
	1st	Reservation School District, Stewarts Point.....	1,837	2,087	1,920	2,087	1,920	1,920	2,396	1,941	1,941
	28th	Cypress School District.....	29,011	32,956	30,320	32,956	30,320	30,320	37,833	30,645	30,645
	6th	San Ramon School District.....	2,128	10,233	9,414	10,233	9,414	9,414	11,775	9,515	9,515
	1st	East Lake Elementary School District, Clear Lake Oaks.....	2,128	2,417	2,224	2,417	2,224	2,224	2,745	2,248	2,248
	13th	Santa Maria Joint Unified High School District.....	97,298	110,531	101,689	110,531	101,689	101,689	126,890	102,781	102,781
	2d	Antelope Unified School District, Colville.....	2,039	1,055	971	1,055	971	971	1,211	981	981
	14th	Central Unified School District, Lemoor.....	48,932	147,747	135,927	147,747	135,927	135,927	169,614	137,387	137,387
	6th	Center School District, Vacaville.....	111,387	127,104	116,936	127,104	116,936	116,936	145,915	118,191	118,191
	13th	Buellton Unified School District.....	5,415	8,596	7,908	8,596	7,908	7,908	9,868	7,993	7,993
	2d	Whiskeytown School District.....	2,193	2,491	2,292	2,491	2,292	2,292	2,860	2,317	2,317
	2d	San Pasquel Valley Unified School District, Wintnerhaven.....	46,447	51,220	47,122	51,220	47,122	47,122	58,801	47,629	47,629
	29th	Elmira School District.....	2,611	2,966	2,729	2,966	2,729	2,729	3,405	2,758	2,758
	27	Morongo Unified School District, Twentynine Palms.....	183,901	208,571	191,885	208,571	191,885	191,885	239,440	193,946	193,946
	29th	Midland Elementary School District, Sunnynead.....	218,553	255,313	234,888	255,313	234,888	234,888	293,099	237,410	237,410
	14th	Lemoor Unified School District.....	14,506	16,479	15,161	16,479	15,161	15,161	18,918	15,324	15,324
	2d	French Gulch School District.....	1,568	1,554	1,430	1,554	1,430	1,430	1,784	1,445	1,445
	2d	Buckeye School District, Redding.....	5,729	6,508	5,987	6,508	5,987	5,987	7,471	6,052	6,052
	6th	Browns Valley School District, Vacaville.....	1,064	1,206	1,112	1,206	1,112	1,112	1,388	1,124	1,124
	12th	Klamath Unified School District.....	8,703	16,987	15,628	16,987	15,628	15,628	19,503	15,706	15,706
	1st	Cressey School District.....	1,740	1,977	1,819	1,977	1,819	1,819	2,270	1,830	1,830
	6th	Montezuma Unified School District, Birds Landing.....	1,257	1,428	1,314	1,428	1,314	1,314	1,639	1,328	1,328
	13th	Captain Cooper School District, Big Sur.....	4,061	4,613	4,244	4,613	4,244	4,244	5,296	4,290	4,290
	2d	Buckeye Unified School District, Slingle Springs.....	3,868	3,479	3,201	3,479	3,201	3,201	3,994	3,295	3,295
	2d	Valley View School District, Lincoln.....	1,257	1,637	1,506	1,637	1,506	1,506	1,879	1,522	1,522
	13th	Lompoc Unified School District.....	932,217	1,058,999	974,279	1,058,999	974,279	974,279	1,215,731	984,742	984,742
	3d	San Juan Unified School District, Carmichael.....	867,644	998,906	918,904	998,906	918,904	918,904	1,140,744	928,563	928,563
	27th	Barstow Unified High School District.....	87,846	99,793	91,810	99,793	91,810	91,810	111,562	92,985	92,985
	13th	Oxnard Unified High School District.....	292,700	322,180	297,326	322,180	297,326	297,326	371,011	300,519	300,519
	1st	Sausalito School District.....	46,128	44,821	41,235	44,821	41,235	41,235	51,455	41,679	41,679
	13th	Pacific Grove Unified School District.....	111,630	113,885	104,741	113,885	104,741	104,741	133,740	105,899	105,899
	6th	Fairfield School District.....	183,770	211,035	194,132	211,035	194,132	194,132	252,208	196,237	196,237
	30th	Chula Vista City School District.....	324,155	368,240	338,781	368,240	338,781	338,781	422,740	342,419	342,419

28th	National School District, National City	216, 222	245, 969	226, 291	282, 372	228, 721
28th	Encinitas Unified School District	16, 923	19, 443	17, 888	22, 321	18, 080
30th	Alpine Unified School District	14, 989	18, 230	16, 772	20, 928	16, 962
28th	Cardinal School District	11, 905	12, 280	11, 298	14, 097	11, 419
1st	Mount George Unified School District, Napa	14, 989	19, 954	18, 358	22, 907	18, 555
30th	Rich-Mar Unified School District, San Marcos	24, 176	28, 141	25, 800	32, 306	26, 108
28th	South Bay Unified School District, Imperial Beach	318, 159	344, 852	317, 204	395, 890	320, 671
6th	Benilde Unified School District	82, 919	94, 196	86, 660	108, 137	87, 591
6th	Crystal Unified School District, Suisun City	229, 964	248, 253	228, 393	284, 994	230, 846
13th	Marino School District	57, 153	68, 561	63, 076	78, 750	63, 753
14th	Indian Wells Unified School District, Ridgecrest	71, 465	71, 631	65, 901	82, 232	66, 608
1st	Napa Unified High School District	159, 939	181, 691	159, 939	208, 581	168, 951
27th	Victor School District, Victorville	50, 673	57, 565	52, 900	66, 085	53, 529
27th	Yermo School District	67, 694	106, 432	97, 917	122, 184	98, 969
29th	Seeley Unified School District	24, 360	28, 345	26, 367	32, 540	26, 367
6th	Vaca Valley Unified School District, Vacaville	147, 660	167, 752	154, 332	192, 579	155, 980
6th	Vacaville Unified High School District	116, 017	192, 124	176, 754	220, 568	178, 632
1st	Napa City School District	88, 581	100, 628	92, 578	115, 321	93, 572
27th	Armitajo Unified High School District, Fairfield	164, 017	186, 323	171, 417	213, 890	173, 258
2d	Adelanto School District	112, 178	156, 565	144, 040	179, 737	145, 587
9th	Lassen Unified High School District, Susanville	54, 429	59, 428	54, 674	68, 223	55, 261
27th	Daygett Elementary School District	17, 407	19, 774	18, 192	22, 701	18, 388
30th	Bayside Elementary School District	24, 853	26, 196	24, 100	30, 073	24, 359
21st	Palmdale School District	3, 268, 330	3, 712, 823	3, 415, 797	4, 262, 821	3, 452, 480
27th	City of San Bernardino School District	172, 293	188, 510	168, 510	207, 702	169, 212
8th	Livermore Joint Unified High School District	398, 783	447, 337	411, 530	513, 543	415, 970
21st	Livermore School District	254, 097	288, 654	265, 562	331, 375	283, 404
8th	Livermore School District	217, 102	246, 628	226, 898	283, 129	229, 331
13th	San Miguel Joint Unified School District	13, 430	12, 407	11, 414	14, 343	11, 337
27th	Hinkley Unified High School District	22, 532	25, 596	23, 548	29, 381	23, 801
3d	Colorado Springs Joint School District No. 11	632, 478	765, 329	704, 183	875, 808	711, 064
2d	Adams-Arapahoe Joint School District No. 28, Aurora	570, 850	602, 500	570, 850	655, 326	530, 822
3d	Pueblo County Rural School District No. 70, Pueblo	99, 803	95, 179	97, 565	109, 263	88, 505
3d	Las Animas School District No. 1	43, 791	49, 747	47, 767	57, 110	40, 259
3d	Colorado Springs School District No. 12	46, 014	38, 816	36, 711	44, 561	36, 094
3d	Riley School District No. 6, Las Animas	8, 377	9, 516	8, 755	10, 924	8, 848
3d	Bent County High School District, Las Animas	25, 820	29, 332	26, 985	33, 673	27, 275
3d	Sugar City School District No. 25	6, 015	8, 369	7, 690	9, 896	7, 773
3d	Manzanola Joint School District No. 2, Colorado Springs	10, 007	11, 342	10, 619	13, 250	10, 733
3d	Fountain School District No. 8	58, 203	83, 397	78, 565	98, 036	79, 409
3d	Manzanola Joint School District No. 3	443, 638	473, 691	435, 244	543, 108	439, 917
3d	Sable School District No. 24, Aurora	14, 960	13, 754	13, 754	17, 163	13, 902
3d	El Paso County School District No. 3, Colorado Springs	196, 285	442, 975	407, 537	508, 535	411, 913
3d	Monument Consolidated School District No. 38	18, 873	17, 363	17, 363	21, 666	17, 549
3d	Colorado Springs School District No. 20	504, 336	627, 190	577, 015	720, 014	583, 211
4th	Cortez School District No. 1	53, 062	59, 238	54, 409	68, 005	55, 084
4th	Collbran School District No. 50	9, 341	3, 232	2, 973	3, 710	3, 005
4th	Ignacio Joint School District No. 11	78, 900	109, 103	100, 375	125, 250	101, 453
3d	Payton Joint School District No. 23	4, 504	4, 324	4, 964	4, 021	4, 021
4th	Muscos School District No. RE-6	10, 508	11, 937	10, 982	13, 704	11, 100

Colorado

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Colorado	4th	Bayfield Joint School District No. 10-R	\$7,110	\$8,077	\$7,431	\$9,272	\$7,510
	2d	Elizabeth School District C-1	5,221	8,781	8,084	10,087	8,170
	2d	Park School District No. R-3, Estes Park	20,550	18,603	17,115	21,356	17,298
	2d	Briggsdale School District No. 107	3,544	4,026	3,704	4,622	3,744
	4th	Lafayette School District No. 5, Dolores	1,966	2,233	2,054	2,563	2,076
	2d	Deer Trail School District No. 28-3	8,079	9,178	8,444	10,536	8,584
	2d	Boulder Valley School District R-2	243,281	273,883	251,972	314,418	254,679
	2d	City of New London Board of Education	162,827	184,983	170,184	212,360	172,012
	4th	Town of Groton Board of Education	588,277	645,553	593,918	741,106	600,296
	2d	Town of Ledyard School District	79,168	77,847	71,619	89,368	72,388
	2d	Town of East Lynn Board of Education	187,717	80,247	74,379	92,812	75,178
Connecticut	2d	Waterford Board of Education	213,247	196,187	186,187	244,808	198,294
	2d	Montville School District	31,767	38,807	34,102	47,510	34,683
	2d	Town of Norwich Board of Education	73,843	90,668	83,415	104,087	84,310
	2d	Town of Stonington School District	79,482	90,262	83,069	103,655	83,931
	2d	Old Lyme Board of Education	20,838	23,672	21,778	26,175	22,012
	2d	Town of Preston School District	7,235	8,219	7,561	9,435	7,642
	2d	Town of Stonington Board of Education	9,591	10,895	10,023	12,307	10,131
	2d	Old Saybrook Board of Education	38,890	40,737	37,478	46,766	37,880
	At large	State Consolidated School District No. 1, Camden	97,376	101,077	92,991	116,036	93,989
	do	Dover Special School District	97,317	85,132	78,321	97,732	79,163
	do	Frederica School District No. 32	11,122	11,624	11,624	14,505	11,749
	do	Magnolia School District No. 50	6,673	6,715	6,178	7,709	6,244
Florida	3d	Escambia County Board of Public Instruction	670,671	730,620	672,170	838,752	679,389
	5th	Brevard County Board of Public Instruction	1,219,491	1,186,290	1,091,387	1,361,861	1,103,107
	3d	Bay County Board of Public Instruction	235,332	310,500	285,660	356,454	285,728
	3d	Santa Rosa County Board of Public Instruction	116,051	153,000	140,700	175,644	132,272
	2d	Clay County Board of Public Instruction	123,607	116,460	107,143	133,696	108,234
	4th	Monroe County Board of Public Instruction	382,841	378,000	347,700	433,944	351,496
	3d	Okaloosa County Board of Public Instruction	645,202	710,995	645,115	816,222	601,140
	3d	Walton County Board of Public Instruction	76,569	86,982	80,023	99,855	80,883
	6th	Dublin Public Schools	41,004	43,636	43,636	54,450	44,105
	7th	Cobb County Board of Education	485,429	551,447	507,331	633,061	512,779
	6th	Bibb County Board of Public Education and Orphanage	452,405	505,440	465,005	580,245	469,998
	3d	Houston County Board of Education	538,234	668,250	614,790	767,151	621,392
Georgia	3d	Chatahoochee County Board of Education	9,762	11,030	10,203	12,731	10,312
	7th	Marietta City Board of Education	134,134	146,250	134,550	167,895	135,995

1st	Liberty County Board of Education	173, 110	150, 261	198, 730	160, 971
3d	Peach County Board of Education	73, 110	72, 731	90, 818	73, 563
3d	Madison County School District	770, 040	708, 437	884, 006	710, 045
10th	Richmond County Board of Education	944, 704	900, 903	923, 010	900, 282
3d	Rowlesville City Board of Education	10, 800	9, 936	10, 012	10, 012
10th	Columbia County Board of Education	88, 913	81, 800	12, 072	82, 078
8th	City of Valdosta Board of Education	67, 531	69, 036	73, 067	83, 070
2d	Douglas County Board of Education	477, 000	438, 840	517, 596	443, 553
6th	Oconee County Board of Education	19, 526	17, 885	22, 317	18, 077
3d	City County Board of Education	35, 725	32, 808	41, 013	32, 407
6th	Beechey County Schools	11, 745	12, 275	15, 317	12, 407
	Board of Commissioners, Department of Public Instruction, Honolulu	4, 456, 188	4, 657, 252	5, 811, 440	4, 707, 266
2d	Arco Joint Class A School District No. III	61, 925	43, 503	54, 251	43, 970
2d	Snake River Class A School District No. 52	23, 114	17, 750	22, 150	17, 942
2d	Blackfoot Class A School District No. 55	136, 012	115, 795	144, 492	117, 039
1st	Mackay Joint Class B School District No. 182	9, 168	7, 415	9, 253	7, 495
2d	Idaho Falls Class A School District No. 91	196, 057	209, 263	261, 124	211, 510
2d	Swan Valley Class A School District No. 92	13, 003	12, 905	16, 103	13, 043
2d	Shelley Joint Class A School District No. 60	21, 989	20, 230	25, 243	20, 447
2d	Mountain Home Class A School District No. 193	375, 061	496, 673	619, 762	502, 007
2d	Idaho Falls Joint Class A School District No. 93	56, 900	55, 110	68, 767	55, 701
2d	Minidoka County Schools Joint Class A School District No. 331	97, 412	68, 884	85, 955	69, 624
1st	Lake Lowell County School District No. 5	2, 876	3, 006	3, 751	3, 038
1st	Lapwai Class A School District No. 341	49, 343	46, 322	53, 178	43, 074
2d	Grandview Joint Class B School District No. 365	29, 184	34, 453	42, 991	34, 758
1st	Kamiah Joint Class B School District No. 304	24, 511	18, 390	22, 947	18, 587
1st	Dubois Class B School District No. 161	18, 734	18, 578	23, 182	18, 777
1st	Challis Joint Class B School District No. 181	10, 238	10, 774	13, 444	10, 890
1st	Cottonwood Joint Class A School District No. 242	12, 696	15, 715	19, 610	15, 884
1st	McCall Class B School District No. 421	14, 483	13, 704	17, 101	13, 852
1st	Worley Class B School District No. 275	6, 429	7, 096	8, 855	7, 173
1st	Western Beneath Class B School District No. 42	15, 567	12, 424	14, 263	11, 553
1st	Meadows Valley Class B School District No. 11	12, 459	11, 798	13, 544	10, 971
1st	Bonners Ferry Class A School District No. 101	22, 970	24, 635	30, 740	24, 899
1st	Council Class B School District No. 13	14, 515	8, 296	10, 352	8, 385
1st	Basin Class C School District No. 72	2, 650	4, 720	5, 889	4, 770
1st	Garden Valley School District No. 71-B	7, 849	7, 221	9, 011	7, 299
13th	North Chicago School District No. 64	535, 141	500, 795	609, 775	566, 818
22d	Rantoul City School District No. 137	25, 507	620, 385	774, 048	627, 048
24th	O'Fallon Community Consolidated School District No. 90	34, 377	31, 627	39, 465	31, 967
17th	Parkton Community Unit School District No. 93	49, 093	41, 586	47, 711	38, 670
22d	Rantoul Township High School District No. 103	191, 985	231, 816	289, 266	234, 805
24th	Mascoutah Community Consolidated School District 10	250, 493	249, 292	286, 187	231, 811
24th	O'Fallon Township High School District No. 203	18, 064	20, 846	26, 013	21, 071
22d	Ludlow School District No. 112	6, 238	7, 086	8, 589	6, 589
13th	Glenview Community Consolidated School District No. 34	98, 869	90, 959	113, 502	91, 937
15th	Wilmington-Lorenzo Community Unit School District No. 200	145, 035	144, 523	180, 339	146, 075
16th	Savanna City School District No. 71	12, 867	12, 306	15, 356	12, 438

Hawaii

Idaho

Illinois

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Illinois	15th	Elwood Community Consolidated School District No. 203	\$17,826	\$20,780	\$19,118	\$23,855	\$19,323
	24th	Freeburg Community Consolidated School District No. 70	8,544	11,831	10,471	13,065	10,583
	24th	Mascoutah Community High School District No. 18	101,312	117,149	107,777	134,487	108,984
	24th	Lebanon Community High School District No. 8	7,758	9,870	9,080	11,331	9,178
	13th	North Chicago Community High School District No. 123	128,769	142,940	131,505	164,095	132,017
	13th	Waukegan City School District No. 61	173,472	174,838	160,851	200,714	162,576
	13th	Highwood School District No. 11	113,460	138,486	127,407	158,982	128,775
	17th	Buckley-Loda Community Unit School District No. 8	12,570	13,341	12,274	13,315	12,406
	24th	Lebanon Grade School District No. 3	19,739	23,288	21,425	26,735	21,605
	24th	Shiloh Village School District No. 85	5,107	5,802	5,338	6,681	5,395
	13th	North Chicago School District No. 63	17,185	25,112	23,193	28,829	23,331
	15th	Gardner-South Wilmington Township High School District No. 73	5,686	6,953	6,397	7,982	6,466
	15th	South Wilmington Consolidated School District No. 74	2,553	2,553	2,347	2,929	2,372
	24th	Belle Valley School District No. 119	7,169	10,535	9,692	12,094	9,796
	24th	Thomasboro Community Consolidated School District No. 130	4,506	5,221	4,803	5,994	4,855
	17th	Armstrong Consolidated School District No. 61	4,044	5,652	5,300	6,192	5,356
	23d	Wesclin Community Unit School District No. 3	22,234	26,702	24,506	30,654	24,830
	16th	Savanna Community High School District No. 200	17,523	20,736	19,077	23,805	19,282
	18th	Hanna City School District No. 204	3,231	4,258	3,899	4,865	3,941
	16th	Hanover Community Unit School District No. 212	20,328	22,173	20,405	25,461	20,623
	7th	Odon-Madison Township School Corporation	16,469	17,640	16,229	20,251	16,403
	7th	Perry School Township, Logansport	49,493	48,200	42,559	53,106	43,016
Indiana	6th	Washington Township School District	14,882	16,406	15,554	19,408	15,270
	3d	Vermillion Township School District	13,267	15,071	13,865	17,302	14,015
	7th	Rutherford School Township	2,971	3,420	3,146	3,926	3,180
	7th	Elmore School Township	5,852	8,211	7,554	9,426	7,635
	11th	Metropolitan School District of Lawrence Township	89,056	98,010	90,169	112,515	91,137
	8th	Utica School Township	9,857	13,038	11,995	13,388	10,844
	5th	Pine Creek School Township	364,658	407,187	374,612	467,451	378,635
	8th	South Central School Corporation	4,244	4,050	3,726	4,560	3,694
	7th	Eastern School District	11,291	12,827	11,801	14,725	11,927
	7th	School City of Greenwood	7,792	7,716	7,099	8,558	7,175
	9th	Miller-Logan-Harrison School District	5,003	6,365	5,856	7,307	5,919
	6th	Vigo County School Corporation	11,893	13,510	12,429	15,509	12,562
	1st	West Burlington Independent School District	12,079	13,529	12,447	15,531	12,583
	1st	New London Community School District	16,323	18,254	16,803	20,967	16,983
	2d	Sabula Consolidated School District	7,835	8,901	8,189	10,218	8,277
Iowa	1st						
	2d						

1st.....	2,046	2,324	2,668	2,161
8th.....	55,824	106,539	98,016	99,069
5th.....	76,065	85,908	85,006	79,884
1st.....	44,073	40,877	37,607	38,011
4th.....	541,607	716,959	639,602	666,686
4th.....	76,500	89,176	82,042	82,923
1st.....	25,423	29,770	34,176	29,683
2d.....	256,552	279,853	257,465	290,280
2d.....	9,516	6,834	7,845	6,354
2d.....	33,487	1,237	10,338	10,449
4th.....	1,134,685	1,289,002	1,185,882	1,108,617
4th.....	12,811	14,640	13,469	13,614
1st.....	388,586	417,396	384,004	388,129
4th.....	25,001	30,281	27,859	28,158
4th.....	33,586	48,057	44,212	44,687
4th.....	34,410	37,707	34,690	35,063
1st.....	68,402	70,810	65,145	61,290
4th.....	18,991	19,590	18,023	18,216
20.				
Valley Center Consolidated School District No. 40.....	27,397	23,323	21,357	21,688
Pauline Consolidated School District No. 72.....	254,980	320,970	295,292	298,404
Conway Springs Consolidated School District No. 104.....	8,714	10,448	9,612	9,715
2d.....	89,974	87,502	80,502	81,366
1st.....	24,229	23,996	22,076	22,313
5th.....	9,371	7,884	7,253	7,331
5th.....	10,492	15,245	14,025	14,176
1st.....	130,540	206,000	190,072	192,113
4th.....	7,316	4,408	4,055	4,099
4th.....	5,124	5,821	5,355	5,413
4th.....	8,343	9,478	8,720	8,814
2d.....	4,457	4,571	4,205	4,251
4th.....	10,585	7,837	7,210	7,288
4th.....	9,184	9,795	9,011	9,108
1st.....	3,200	2,856	2,628	2,656
4th.....	6,743	3,146	3,612	2,926
4th.....	85,888	76,843	70,636	71,455
Hayesville Consolidated School District No. 187.....	2,628	2,985	2,623	2,125
1st.....	1,371	1,257	1,443	1,169
1st.....	5,364	4,728	4,428	4,397
3d.....	6,286	5,713	5,256	5,313
1st.....	2,628	1,828	1,682	1,700
1st.....	7,771	5,941	6,090	5,524
1st.....	6,971	6,856	6,371	6,376
2d.....	4,571	5,028	4,626	4,675
6th.....	376,772	495,489	568,821	460,735
Belle Plaine Consolidated School District No. 2.....	15,429	20,038	18,435	18,633
1st.....	11,771	15,425	14,191	14,343
1st.....	3,200	3,635	3,344	3,380
1st.....	4,880	4,408	4,111	4,154
1st.....	3,314	3,703	3,404	3,501
6th.....	3,676	6,675	7,063	6,207
1st.....	2,742	3,115	3,576	2,897
Berryton Consolidated School District No. 39.....				

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Kansas	1st	Lansing Rural High School District No. 2	\$13,664	\$18,400	\$16,928	\$21,123	\$17,110
	4th	Goddard Consolidated School District No. 142	14,067	18,611	17,122	21,365	17,306
	4th	Benton Consolidated School District No. 32, Joint	9,352	10,624	12,196	9,879	9,879
	1st	Fairmont Consolidated School District No. 35	1,600	1,828	1,682	2,099	1,700
	4th	Chapman Consolidated School District No. 80	10,400	11,427	10,513	13,118	10,626
	6th	Brookville Rural High School District, Joint No. 5	2,204	2,504	2,304	2,875	2,329
	4th	Kechi-Center-Chisholm Trail School District No. 5	12,107	13,247	12,187	15,208	12,318
	5th	Oxford Consolidated School District No. 1-1	5,600	5,455	5,046	6,297	5,101
	4th	Milford Grade School District No. 2	4,114	3,999	3,679	4,591	3,719
	5th	Oxford Rural High School District No. 6	4,880	6,308	5,803	7,242	5,866
	4th	Grandview Consolidated School District No. 18	5,143	5,942	5,467	6,821	5,525
	4th	Kechi Consolidated School District No. 184	10,727	13,140	12,089	15,085	12,219
	1st	Riley Consolidated School District No. 81	4,688	4,799	4,415	5,509	4,462
	4th	Milford Rural High School District No. 1	10,492	14,928	13,734	17,137	13,881
	1st	Louisville Consolidated School District No. 12	2,057	2,337	2,150	2,683	2,173
	6th	Webster Consolidated School District No. 31	1,520	1,727	1,589	1,983	1,606
	4th	Seltzer Consolidated School District No. 3	6,705	6,590	6,063	7,565	6,128
	1st	Wakefield Rural High School District No. 3	4,636	6,308	5,803	7,242	5,749
	1st	Leaveworth Union Consolidated School District No. 17	3,542	4,024	3,702	4,620	3,749
	1st	Nine Mile Consolidated School District No. 80	1,371	1,557	1,432	1,787	1,447
	1st	Powhattan Consolidated School District No. 99	3,428	2,742	2,523	3,148	2,550
	1st	Grand Prairie School District No. 7	1,564	1,777	1,635	2,040	1,652
	1st	Blue Valley Rural High School District No. 5	16,390	18,619	17,139	21,375	17,317
	5th	Mayetta Rural High School District No. 3	6,862	7,781	7,140	8,916	7,102
	4th	Prairie Garden Consolidated School District No. 24	1,706	1,498	1,783	2,225	1,802
	4th	Quenemo Consolidated School District No. 30	1,942	3,063	2,472	3,537	2,488
	4th	Mammoth Cove Consolidated School District No. 322	2,068	2,963	2,772	3,402	2,736
	1st	Keats Grade School District No. 6	1,829	1,828	1,682	2,099	1,700
	1st	Sunny Brook School District No. 96	1,848	2,089	1,931	2,410	1,952
	6th	Wilson School District, Joint No. 10	6,993	9,303	8,361	10,682	8,632
	4th	Bloomington Consolidated School District No. 87	1,714	1,828	1,682	2,099	1,700
	4th	Wichita School District No. 191	73,200	83,153	76,503	95,402	77,324
	4th	Carry Creek Consolidated School District No. 14	1,267	1,428	1,314	1,639	1,325
	1st	Shawnee Heights Rural High School District No. 10	6,344	7,207	6,630	8,274	6,702
	4th	West Point Independent School District	12,055	10,890	10,019	12,302	10,127
	6th	Berea Independent School District	6,706	6,300	5,796	7,232	5,838
	4th	Hardin County School District	171,997	207,000	190,440	237,686	192,485
Kentucky							

Louisiana.	4th.....	76,500	70,380	87,822	71,136
	1st.....	33,344	30,676	38,279	31,003
Maine.....	4th.....	81,790	75,255	93,905	76,063
	1st.....	59,204	46,188	57,634	46,684
	4th.....	20,542	27,179	33,914	27,470
	1st.....	8,404	8,363	10,135	8,462
	4th.....	414,297	381,070	473,510	385,163
	1st.....	41,692	38,633	48,207	39,048
	4th.....	196,698	180,787	223,501	182,739
	1st.....	53,387	54,876	63,876	55,223
	4th.....	460,142	554,187	636,307	515,328
	1st.....	3,365	3,080	3,795	3,763
	4th.....	20,872	13,202	23,311	19,408
	1st.....	53,404	49,590	61,331	49,078
	4th.....	22,422	23,433	29,241	11,837
	1st.....	306,749	230,590	400,040	324,032
	4th.....	211,356	320,892	275,635	233,264
	1st.....	2,430	2,236	2,790	2,200
	4th.....	7,068	6,503	8,114	6,572
	1st.....	17,847	16,419	20,488	16,395
	4th.....	15,710	7,859	9,852	7,980
	1st.....	7,555	8,104	10,113	8,192
	4th.....	4,499	3,312	4,133	3,348
	1st.....	3,990	4,170	5,204	4,315
	4th.....	11,896	12,433	15,514	12,566
	1st.....	102,821	107,461	134,092	108,615
	4th.....	6,755	2,430	2,790	2,260
	1st.....	6,318	7,290	8,369	6,779
	4th.....	2,037	2,129	2,656	2,151
	1st.....	5,011	5,692	6,534	5,293
	4th.....	5,942	5,760	6,612	5,356
	1st.....	630,521	762,964	875,883	709,465
	4th.....	965,111	1,135,717	1,303,803	1,056,080
	1st.....	217,989	240,755	276,364	223,855
	4th.....	2,453,290	2,822,685	3,203,006	2,594,435
	1st.....	2,276,300	2,621,576	2,977,543	2,411,810
	4th.....	253,731	308,123	353,725	286,517
	1st.....	363,634	343,233	394,031	319,165
	4th.....	32,306	32,501	37,311	30,222
	1st.....	110,894	102,022	127,306	103,118
	4th.....	97,618	90,728	104,156	84,366
	1st.....	73,092	643,366	738,584	598,253
	4th.....	657,924	22,597	25,941	21,012
	1st.....	19,893	20,789	25,941	21,012
	4th.....	313,312	316,406	394,820	319,804
	1st.....	550,127	547,854	683,627	553,738
	4th.....	7,563	7,905	9,864	7,990
	1st.....	10,034	10,487	13,086	10,600
	4th.....	18,400	18,678	22,588	18,296
	1st.....	7,432	7,768	9,864	7,990
	4th.....	23,346	21,539	26,877	21,770
	1st.....	27,849	30,112	34,569	28,001

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874		Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
			Net entitlement under Public Law 874		Effect of 8-percent reduction		Net entitlement under Public Law 874	
Massachusetts	9th	Town of Hull School Committee	\$41,202	\$42,683	\$39,268	\$39,268	\$49,000	\$39,600
	9th	Town of Peppercell School Committee	12,229	13,940	12,833	12,833	16,013	12,971
	9th	Town of Groton School Committee	17,393	19,758	18,177	18,177	22,682	18,372
	1st	Pittsfield Public School Committee	291,254	330,865	304,396	304,396	379,833	307,665
	1st	Cheshire School Committee	18,953	10,171	9,357	9,357	11,703	9,458
	1st	Lanesborough School Committee	12,808	14,550	13,386	13,386	17,703	13,629
	9th	Wareham School Committee	46,618	41,504	38,366	38,366	47,790	38,078
	1st	Dalton Public Schools	28,195	32,060	29,408	29,408	36,770	29,754
	5th	Concord-Carlisle Regular School Committee	59,052	67,883	71,706	71,706	77,111	62,579
	11th	Sauit Ste. Marie Public Schools	101,971	101,507	93,386	93,386	116,330	94,389
	10th	Oscoda Area School District	200,692	236,916	296,534	296,534	370,023	299,719
	11th	Rudyard Township School District No. 11	112,338	13,875	212,443	212,443	265,092	214,725
	11th	Superior Schools No. 14	14,350	13,875	14,065	14,065	18,225	14,762
	12th	Pickford School District	198,948	386,058	353,173	353,173	443,195	358,988
Michigan	11th	Forsyth School District No. 7	8,172	9,664	8,863	8,863	11,000	8,959
	11th	Soo Township Schools No. 12	12,894	16,826	13,480	13,480	19,316	13,646
	7th	Anchor Bay School District	61,798	52,533	43,380	43,380	60,308	48,819
	11th	Bruce Township School District No. 1	6,872	7,807	7,182	7,182	8,962	7,259
	10th	Tawas Area Schools	18,574	15,298	14,074	14,074	17,562	14,225
	11th	Dalton School District No. 10	2,231	2,637	2,426	2,426	3,027	2,432
	11th	Unorganized Territory School District of Hemmipin County	1,671	1,898	1,746	1,746	2,179	1,765
	3d	Cass Lake Independent School District No. 115	21,302	22,044	20,280	20,280	25,307	20,499
	6th	Walker Independent School District No. 119	25,185	28,610	26,321	26,321	32,844	26,004
	7th	Becker County Unorganized Territory School District	11,945	13,741	12,642	12,642	15,775	12,778
	9th	Redwood County Unorganized Territory School District	7,565	6,677	6,143	6,143	7,665	6,209
	9th	Redlake Independent School District No. 38	3,782	4,296	3,952	3,952	4,932	3,995
	9th	Onamia Independent School District No. 478	109,200	120,817	111,152	111,152	138,698	112,345
	9th	Naytahwaush Independent School District No. 433	16,325	17,593	16,185	16,185	20,197	16,360
Mississippi	6th	Nett Lake Independent School District No. 707	11,845	13,456	12,380	12,380	15,447	12,512
	8th	Ponsford Independent School District No. 25	21,203	24,587	22,620	22,620	28,226	22,863
	9th	White Earth School District No. 55	26,180	29,039	26,716	26,716	33,337	27,003
	9th	Bemidji Unorganized Territory School District	8,461	7,207	6,630	6,630	8,274	6,702
	9th	Mahnomen Unorganized Territory School District No. 0	7,963	9,046	8,322	8,322	10,355	8,412
	9th	Sandstone Independent School District No. 576	2,588	2,940	2,705	2,705	3,375	2,734
	6th	Moss Point Municipal Separate School District	15,529	16,957	15,600	15,600	19,467	15,768
	6th	Pascagoula Municipal Separate School District	153,235	146,880	135,130	135,130	168,618	136,580
	6th	Biloxi Municipal Separate School District	184,046	152,638	140,438	140,438	175,242	141,946
	6th	Biloxi Municipal Separate School District	375,151	451,980	415,822	415,822	518,873	420,287

Missouri.....	6th.....	Ocean Springs Municipal Separate School District.....	50,173	55,500	67,153	54,398
	6th.....	Gulfport Municipal Separate School District.....	189,146	199,620	229,104	185,623
	6th.....	Long Beach Municipal Separate School District.....	20,799	24,750	28,413	23,015
	1st.....	Columbus Municipal Separate School District.....	147,506	205,570	235,994	191,155
	4th.....	Vicksburg Municipal Separate School District.....	62,398	65,743	82,036	66,449
	6th.....	George County Schools.....	35,656	56,790	65,195	52,808
	6th.....	Harrison County School District.....	62,313	138,240	183,700	128,547
	6th.....	Harrison County School District.....	55,182	76,500	87,822	71,136
	8th.....	Waynesville Reorganized School District No. 6.....	489,929	581,400	634,888	540,632
	8th.....	Laquey School District R-5.....	12,819	14,562	16,717	13,541
	8th.....	Richland Public School District R-4.....	14,007	16,200	18,598	15,064
	4th.....	Grandview Consolidated High School District.....	95,124	113,613	130,428	105,647
	8th.....	Big Piney School District R-VII.....	2,784	3,870	4,443	3,599
	7th.....	Neosho School District No. 57.....	47,456	56,340	64,678	52,389
	8th.....	Illekan Mills Consolidated School District No. 1.....	155,169	345,085	396,158	320,888
	4th.....	Swedeborg Reorganized School District R-111.....	3,650	4,146	4,700	3,856
	4th.....	Archie Consolidated School District No. 2.....	5,118	6,045	6,945	5,332
	4th.....	Warrensburg School District No. 125.....	33,081	37,580	43,142	34,319
	4th.....	Knob Noster Reorganized School District No. R-8.....	180,262	207,051	237,695	192,533
	8th.....	Fredericktown School District.....	26,507	30,112	34,569	28,001
	11th.....	LaMonte Reorganized School District No. R-IV.....	7,725	11,700	13,432	10,890
	8th.....	Democrat School District No. 79.....	2,016	2,290	2,629	2,129
	8th.....	Edgar Springs School District R-6.....	1,867	2,121	2,435	1,972
	8th.....	Success School District R-6.....	4,839	6,120	7,026	5,691
	8th.....	Flat School District No. 70.....	1,358	1,543	1,771	1,435
	7th.....	McElhenny School District C-5.....	1,460	4,086	4,691	3,800
	4th.....	Cass County School District R-I.....	6,491	6,636	7,618	6,171
	8th.....	Crockett Reorganization School District R-11.....	18,676	19,259	22,109	17,908
	8th.....	Dixon Reorganization School District R-1.....	25,468	33,834	38,841	31,461
	7th.....	Fordland Consolidated School District No. 3.....	6,433	6,172	7,085	5,739
	4th.....	Belford Public School District No. 124.....	280,716	328,950	377,635	305,884
	8th.....	East Madison School District.....	12,896	14,650	16,818	13,623
	11th.....	Barton School District No. 85.....	1,103	1,253	1,438	1,165
	11th.....	Strasburg School District C-3.....	1,443	1,530	1,756	1,422
	7th.....	Bellast School District.....	1,303	1,283	1,438	1,165
	8th.....	Pleasant Hill School District No. 69.....	16,384	21,000	24,797	20,086
	4th.....	Plato School District R-5.....	12,453	15,327	18,284	14,810
	4th.....	Raymore-Peculiar School District R-2.....	7,614	8,362	9,600	7,776
	11th.....	Competition School District No. C-2.....	1,019	1,188	1,329	1,076
	7th.....	Manes School District R-V.....	2,377	2,160	2,480	2,068
	11th.....	Miller County School District R-V.....	9,847	9,450	10,849	8,788
	8th.....	Newburg Public School District No. R-2.....	12,734	14,404	16,095	13,450
	24.....	Fort Peck School District No. 21.....	66,122	75,115	86,232	68,848
	24.....	Gardiner School District No. 7.....	13,743	11,304	12,977	10,511
	2d.....	Colestrip School District No. 19.....	10,735	12,195	14,000	11,340
	1st.....	Rexford Elementary School District No. 18.....	8,799	9,196	11,475	9,295
	1st.....	York Consolidated School District No. 33.....	4,612	4,820	6,014	4,871
	2d.....	Ophelm Elementary and High School District No. 9.....	12,935	19,362	22,228	18,065
	1st.....	Dixon School District No. 9.....	17,472	19,849	22,787	18,457
	1st.....	Arlee Joint School District No. 8.....	21,091	23,959	27,505	22,279
Montana.....						

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
			Not entitled under Public Law 874	Effect of 8-percent reduction	Not entitled under Public Law 874	Effect of 19-percent reduction	
Montana	2d	Wolf Point High School District No. 45	\$9,231	\$10,486	\$9,647	\$12,038	\$9,751
	2d	Lame Deer Elementary School District No. 6	46,923	53,940	49,625	61,923	50,158
	1st	Target Range School District No. 23	3,293	3,320	3,974	4,959	4,017
	1st	Lincoln County High School District	9,748	11,074	10,183	12,713	10,298
	2d	Glasgow High School District No. 1-A	49,047	111,830	102,884	128,381	103,989
	2d	Glasgow Elementary School District No. 1	117,778	219,519	207,957	252,008	204,126
	1st	Hot Springs Elementary School District No. 14	3,529	9,546	8,782	10,959	8,877
	1st	Hot Springs High School District No. 14	3,829	9,586	8,415	10,757	8,473
	2d	Hayes School District No. 16	78,160	54,110	49,781	62,118	50,316
	2d	Harlem Elementary School District No. 12	23,903	29,426	27,072	33,781	27,363
	2d	Harlem High School District No. 12	14,754	16,761	15,420	19,242	15,586
	2d	Westby Elementary School District No. 3	5,674	6,726	6,188	7,721	6,254
	1st	Kessler School District No. 2	6,342	6,407	5,894	7,355	5,958
	2d	Nashua Elementary School District No. 13	12,391	14,076	12,950	16,159	13,089
	2d	Nashua High School District E	15,277	17,355	15,967	19,924	16,138
	1st	Lolo School District No. 7	2,429	1,244	1,144	1,428	1,157
	2d	Browning Elementary School District No. 9	66,327	75,347	69,319	86,498	70,063
	1st	Swan Valley School District No. 33	2,324	2,640	2,429	3,031	2,455
	2d	Browning High School District No. 9	23,229	26,388	24,277	30,293	24,537
	1st	Seelye Lake School District No. 34	5,227	5,938	5,463	6,817	5,522
	2d	Brockton School District No. 55	65,636	74,562	68,597	85,597	69,334
	2d	Box Elder School District No. 13	9,009	10,234	9,415	11,749	9,517
	2d	Elmo School District No. 2	4,857	4,926	4,532	5,655	4,581
	2d	Elmo School District No. 22	5,857	6,654	6,122	7,639	6,188
	2d	Zortman School District No. 5	5,055	5,742	5,283	6,592	5,340
	2d	Pryor School District No. 2	10,456	11,878	10,928	13,636	11,045
	2d	Great Falls Elementary School District No. 1	285,873	324,752	298,772	372,815	301,980
	2d	Wyola School District No. 29	10,787	12,254	11,274	14,068	11,395
	2d	Large Grass School District No. 27	69,429	78,871	72,561	90,544	73,341
	2d	Hardin School District No. 17-H	85,033	125,452	115,416	144,019	116,655
	2d	Blaine County School District No. 50	56,767	68,278	62,816	78,383	63,490
	2d	East Glacier Park School District No. 8	7,608	8,643	7,952	9,922	8,037
	2d	Babb School District No. 8	19,331	21,960	20,203	25,210	20,420
	2d	Badger-Fisher School District No. 14	9,603	10,909	10,036	12,524	10,144
	2d	Hart Butte School District No. 1	39,486	48,673	44,779	55,877	45,260
	2d	Ashland School District No. 32	3,344	3,799	3,495	4,361	3,432
	2d	Frazer Elementary School District No. 2	19,172	21,779	20,037	25,002	20,252
	2d	Frazer High School District No. 2	8,073	9,171	8,437	10,528	8,528

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
New Jersey	3d	Shrewsbury Township Board of Education	\$51,545	\$49,746	\$45,766	\$57,108	\$46,257
	4th	Pemberton Borough School District	10,830	13,006	11,966	14,931	12,094
	4th	Pemberton Township Board of Education	698,269	1,033,072	950,426	1,185,967	960,633
	4th	New Hanover Township Board of Education	183,018	503,311	464,886	590,097	469,879
	5th	Rockaway Township Board of Education	51,410	58,402	53,730	67,045	54,306
	3d	Eatonville Township Board of Education	307,914	349,790	321,807	401,559	325,263
	2d	Somers Point Board of Education	12,593	14,306	13,162	16,423	13,303
	4th	Mount Holly Township Board of Education	100,243	123,391	113,520	141,653	114,739
	4th	Souhampton Township Board of Education	12,576	14,627	13,457	16,792	13,602
	3d	Oceanport Borough Board of Education	28,485	32,359	29,770	37,148	30,090
	3d	Long Branch City Board of Education	123,030	139,762	128,581	160,447	129,962
	3d	Manchester Township Board of Education	22,106	25,112	23,103	28,529	23,251
	3d	Cape May City Public Schools	11,597	15,102	13,894	17,337	14,043
	5th	Mount Arlington Borough Board of Education	6,596	7,493	6,894	8,602	6,968
	5th	Mine Hill Township Board of Education	26,190	29,752	27,373	34,155	27,666
	5th	Dover Board of Education	84,458	95,944	88,268	110,144	89,217
	5th	Roxbury Township Board of Education	71,198	80,881	74,411	92,851	75,209
	5th	Wharton Borough Board of Education	28,324	24,873	22,883	28,554	23,129
	3d	Shrewsbury Borough Board of Education	18,990	21,573	19,847	24,766	20,060
	2d	Northfield Board of Education	32,620	30,010	27,348	32,448	30,333
	3d	Ocean Township Board of Education	62,939	71,499	65,779	82,081	66,486
	5th	Victory Gardens School District	8,148	9,256	8,516	10,626	8,807
	3d	West Long Branch Borough Board of Education	42,728	48,539	44,656	55,723	45,136
	3d	Plumsted Township Board of Education	33,646	43,902	40,390	50,399	40,823
	1st	Rancocas Valley Regulated High School District	33,093	37,594	34,586	43,158	34,958
	4th	Lumberton Township School	19,495	22,146	20,374	25,424	20,593
	3d	Howell Township Board of Education	22,245	25,270	23,248	29,010	23,498
	3d	Island Heights Borough Board of Education	4,482	5,577	5,291	6,406	5,326
	4th	Bordentown Township Board of Education	26,474	40,272	37,050	46,232	37,448
	4th	Morris Hill Regulated School District	54,902	62,369	57,379	71,000	57,996
	4th	Westampton Township Board of Education	10,469	12,843	11,816	14,744	11,943
	3d	Lacey Township Board of Education	6,493	4,064	3,739	4,665	3,779
	4th	Edgewater Park Township Board of Education	14,441	16,405	15,083	18,533	15,255
	2d	Eastampton Township Board of Education	9,506	11,380	10,470	13,064	10,582
	2d	Tower Township Board of Education	16,854	17,558	16,153	20,157	16,327
	3d	Monmouth Beach School District	5,426	6,164	5,671	7,076	5,732
	3d	Berkeley Township Board of Education	11,593	13,170	12,116	15,119	12,246
	4th	Springfield Township Board of Education	4,813	5,468	5,031	6,277	5,084
	4th	Northern Burlington County Regulated School District	122,626	281,855	259,307	323,570	262,092

New Mexico	At large	491, 158	451, 865	563, 949	456, 718
	do	292, 326	268, 940	335, 590	271, 828
	do	1, 567, 742	1, 483, 923	1, 834, 208	1, 485, 708
	do	46, 265	43, 409	54, 167	48, 875
	do	159, 261	146, 520	182, 832	148, 094
	do	45, 070	69, 735	87, 017	70, 484
	do	13, 263	75, 799	16, 597	13, 444
	do	97, 097	91, 795	114, 544	92, 781
	do	175, 184	161, 169	162, 900	162, 900
	do	18, 512	21, 030	24, 142	19, 555
	do	402, 454	457, 188	524, 852	425, 130
	do	260, 493	295, 920	339, 716	275, 170
	do	8, 802	9, 999	11, 479	9, 298
	do	4, 433	4, 078	5, 089	4, 122
	do	4, 742	4, 363	5, 444	4, 410
	do	1, 815	1, 897	2, 367	1, 917
	do	6, 520	7, 407	8, 503	6, 887
	do	13, 098	15, 561	17, 864	14, 470
	do	65, 427	66, 165	82, 562	66, 875
	do	2, 269	2, 578	2, 960	2, 398
	do	34, 701	28, 705	32, 953	26, 692
	do	45, 100	26, 409	56, 292	45, 600
	do	554, 331	587, 265	674, 180	546, 086
	do	104, 810	125, 525	115, 483	116, 723
	do	149, 636	157, 344	144, 756	146, 311
	do	22, 686	25, 771	23, 709	23, 964
	do	25, 189	26, 123	29, 989	24, 291
	do	1, 724	24, 033	29, 989	24, 291
	do	8, 983	1, 801	2, 248	1, 821
	do	42, 838	10, 205	9, 389	9, 489
	do	195, 908	59, 034	67, 771	54, 895
	do	79, 340	230, 343	264, 434	214, 192
	do	20, 559	90, 130	82, 920	83, 810
	do	99, 723	23, 355	21, 487	26, 812
	do	637, 719	91, 745	114, 482	92, 730
	do	7, 721	647, 295	807, 711	654, 246
	do	7, 206	8, 069	10, 069	8, 156
	do	3, 243	3, 684	4, 016	3, 493
	do	18, 264	3, 389	4, 229	3, 423
	do	84, 993	23, 819	23, 819	19, 293
	do	17, 692	154, 544	154, 544	123, 151
	do	4, 177	18, 580	23, 090	13, 679
	do	6, 153	4, 365	5, 447	4, 412
	do	17, 070	6, 431	8, 025	6, 300
	do	3, 403	3, 537	23, 044	18, 066
	do	7, 703	3, 806	4, 438	3, 926
	do	5, 047	6, 832	8, 550	6, 956
	do	313, 432	5, 733	6, 351	5, 331
	do	357, 747	382, 006	438, 612	355, 276
	do	64, 095	389, 657	486, 224	383, 541
	do	70, 920	65, 246	81, 416	65, 947
	do	349, 740	321, 761	401, 502	325, 217
New York	36th	1, 724	24, 033	29, 989	24, 291
	28th	8, 983	1, 801	2, 248	1, 821
	1st	42, 838	10, 205	9, 389	9, 489
	6th	195, 908	59, 034	67, 771	54, 895
	28th	79, 340	230, 343	264, 434	214, 192
	34th	20, 559	90, 130	82, 920	83, 810
	1st	99, 723	23, 355	21, 487	26, 812
	30th	637, 719	91, 745	114, 482	92, 730
	1st	7, 721	647, 295	807, 711	654, 246
	1st	7, 206	8, 069	10, 069	8, 156
	1st	3, 243	3, 684	4, 016	3, 493
	1st	18, 264	3, 389	4, 229	3, 423
	1st	84, 993	23, 819	23, 819	19, 293
	1st	17, 692	154, 544	154, 544	123, 151
	1st	4, 177	18, 580	23, 090	13, 679
	1st	6, 153	4, 365	5, 447	4, 412
	28th	17, 070	6, 431	8, 025	6, 300
	1st	3, 403	3, 537	23, 044	18, 066
	1st	7, 703	3, 806	4, 438	3, 926
	31st	5, 047	6, 832	8, 550	6, 956
	3d	313, 432	5, 733	6, 351	5, 331
	3d	357, 747	382, 006	438, 612	355, 276
	7th	64, 095	389, 657	486, 224	383, 541
	7th	70, 920	65, 246	81, 416	65, 947
	7th	349, 740	321, 761	401, 502	325, 217
North Carolina	3d	1, 724	24, 033	29, 989	24, 291
	3d	8, 983	1, 801	2, 248	1, 821
	3d	42, 838	10, 205	9, 389	9, 489
	3d	195, 908	59, 034	67, 771	54, 895
	3d	79, 340	230, 343	264, 434	214, 192
	3d	20, 559	90, 130	82, 920	83, 810
	3d	99, 723	23, 355	21, 487	26, 812
	3d	637, 719	91, 745	114, 482	92, 730
	3d	7, 721	647, 295	807, 711	654, 246
	3d	7, 206	8, 069	10, 069	8, 156
	3d	3, 243	3, 684	4, 016	3, 493
	3d	18, 264	3, 389	4, 229	3, 423
	3d	84, 993	23, 819	23, 819	19, 293
	3d	17, 692	154, 544	154, 544	123, 151
	3d	4, 177	18, 580	23, 090	13, 679
	3d	6, 153	4, 365	5, 447	4, 412
	3d	17, 070	6, 431	8, 025	6, 300
	3d	3, 403	3, 537	23, 044	18, 066
	3d	7, 703	3, 806	4, 438	3, 926
	3d	5, 047	6, 832	8, 550	6, 956
	3d	313, 432	5, 733	6, 351	5, 331
	3d	357, 747	382, 006	438, 612	355, 276
	3d	64, 095	389, 657	486, 224	383, 541
	3d	70, 920	65, 246	81, 416	65, 947
	3d	349, 740	321, 761	401, 502	325, 217

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, not entitlement under Public Law 874		Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
			Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
North Carolina	7th	Cumberland County Board of Education	\$370, 142		\$458, 460	\$421, 783	\$526, 312	\$426, 313
	3d	Carteret County Board of Education	117, 919		135, 450	124, 614	155, 497	125, 953
	3d	Onslow County Board of Education	343, 994		400, 230	368, 212	459, 464	372, 166
	1st	Elizabeth City School District	41, 314		46, 710	43, 973	53, 623	43, 193
	8th	Southern Pines City Schools	12, 139		13, 790	12, 687	15, 833	12, 823
	1st	Pasquotank County School District	26, 912		28, 110	26, 413	32, 939	26, 097
	1st	Brunswick County Board of Education	24, 874		28, 257	25, 996	32, 439	26, 276
	12th	Swain County Board of Education	25, 129		29, 430	27, 076	33, 786	27, 367
	3d	Wayne County Board of Education	237, 621		270, 270	248, 648	310, 270	251, 319
	3d	Pamlico Administrative Unit	35, 571		40, 230	37, 012	46, 184	37, 409
	12th	Graham County Board of Education	17, 828		21, 130	19, 440	24, 257	19, 048
	At large	International Special School District No. 5	2, 607		2, 757	2, 536	3, 165	2, 564
	do	Riverdale Special School District No. 89	53, 968		61, 131	56, 241	70, 178	56, 844
	do	New Town Special School District No. 1	10, 903		13, 463	14, 225	17, 752	14, 379
	do	Finley Special School District No. 3	9, 125		10, 366	9, 537	11, 900	9, 639
North Dakota	do	Grand Forks Independent School District No. 1	135, 951		264, 662	243, 489	363, 832	246, 104
	do	Lincoln School District No. 38	4, 741		5, 386	4, 955	6, 183	5, 008
	do	Minot Special School District No. 1	251, 252		419, 529	385, 967	481, 619	390, 111
	do	Mekinock Reorganized School District No. 121	1, 659		2, 397	2, 205	2, 752	2, 229
	do	Parshall Community Special School District No. 3	17, 659		20, 061	18, 456	23, 030	18, 651
	do	St. John School District No. 3	8, 059		9, 155	8, 423	10, 510	8, 513
	do	Oak Grove School District No. 12	21, 570		26, 730	24, 592	30, 686	24, 856
	do	Emerado Special School District No. 127	3, 555		6, 473	5, 955	7, 431	6, 019
	do	Larimore Special School District No. 44	13, 273		15, 273	14, 446	18, 026	14, 601
	do	Green River School District No. 24	3, 258		3, 716	3, 419	3, 455	3, 455
	do	Fort Totten School District No. 30	7, 941		7, 552	6, 948	8, 670	7, 023
	do	South Prairie School District No. 70	4, 859		5, 520	5, 078	6, 337	5, 133
	do	Warwick Special School District No. 29	3, 318		3, 769	3, 467	4, 327	3, 505
	3d	Mad River Township Local School District	179, 672		341, 086	313, 799	391, 567	317, 169
	7th	Fairbairn City School District	312, 414		342, 155	314, 783	392, 794	318, 163
Ohio	7th	New Carlisle-Bethel Local School District	81, 358		92, 423	85, 029	106, 102	85, 943
	6th	Union Scioto Local School District	19, 887		24, 295	22, 351	27, 891	22, 592
	5th	Salem-Oak Harbor Local School District	20, 896		22, 588	20, 781	25, 931	21, 004
	3d	Wayne Township Local School District	80, 930		91, 936	84, 581	105, 543	85, 490
	7th	Xenia City Board of Education	106, 339		96, 584	88, 857	110, 878	89, 811
	7th	Yellow Springs Exempted Village School District	21, 331		23, 549	21, 665	27, 034	21, 898
	7th	Beaver Creek Local Board of Education	122, 979		142, 301	130, 917	163, 362	132, 323
	5th	Carroll Local School District	9, 762		10, 842	9, 975	12, 447	10, 082

5th.....	62,520	66,597	61,269	76,453	61,927
12th.....	170,106	193,309	177,844	221,919	179,754
12th.....	42,377	36,271	33,369	41,639	33,728
11th.....	42,600	40,674	45,516	56,797	46,005
12th.....	141,938	156,444	144,112	179,827	145,660
12th.....	14,107	13,180	12,126	15,131	12,256
12th.....	54,723	79,656	72,732	90,756	73,512
17th.....	13,531	20,781	19,119	19,324	23,857
Reynoldsburg Local Board of Education	48,044	46,079	42,393	52,899	42,848
Waverly Local School District	53,353	53,270	54,528	68,042	55,114
Mad River-Green Local School District	17,470	24,846	22,858	28,523	23,104
Southwest Licking Local Board of Education	77,028	62,852	57,824	72,154	58,445
Wilmington City School District	35,807	45,265	41,644	51,964	42,091
Teays Valley Local School District	950,352	1,078,080	991,834	1,237,636	1,002,485
Medicine Park Independent School District No. 52	5,518	4,950	4,554	5,683	4,603
Moore Independent School District No. 2	44,019	64,075	58,949	73,558	59,582
El Remo Independent School District No. 34	52,956	54,778	50,396	62,885	50,957
Faxon Independent School District No. 128	3,693	4,195	3,859	4,816	3,901
Cacho Independent School District No. 1	40,288	39,391	36,240	45,221	36,629
Crooked Oak Independent School District No. 53	51,924	62,370	57,380	71,601	57,997
Jones Independent School District No. 9	11,980	12,597	11,589	11,713	11,589
Lawton Independent School District No. 8	1,069,605	983,527	994,040	1,227,271	994,040
Choctaw Independent School District No. 4	95,189	110,483	101,644	126,834	102,736
Gerontino Independent School District No. 4	5,990	6,815	6,270	7,824	6,337
Enid Independent School District No. 57	184,697	137,488	126,489	157,836	127,847
Talitha Independent School District No. 52	12,988	14,580	13,414	16,738	13,558
Norman Independent School District No. 29	74,462	111,599	102,588	128,012	103,690
Bothum Independent School District No. 88	11,366	10,670	9,816	12,249	9,922
Stirling School District No. 1-3	10,250	10,670	10,612	13,279	10,756
Stirling School District No. 1-3	29,965	34,128	31,398	39,179	31,735
Elgin Independent School District No. 16	4,073	4,376	4,046	6,172	4,990
Ilwaco Independent School District No. 88	13,820	17,572	16,534	20,632	16,712
Pleicher Independent School District No. 9	6,021	7,521	6,919	9,094	6,904
Liberty Independent School District No. 14	6,021	7,521	6,919	9,094	6,904
Wolf Dependent School District No. 13	13,223	4,735	4,356	5,436	4,403
Carnegie Independent School District No. 68	54,929	62,389	57,407	71,634	58,204
Mount View Independent School District No. 33	13,206	19,132	17,601	21,964	17,791
Reed Rook Independent School District No. 3	23,107	26,352	24,241	30,252	24,504
Temple Independent School District No. 101	8,948	10,165	9,352	11,609	9,452
Anadarko School District A	40,325	45,809	42,144	52,589	42,597
Geary Independent School District No. 80	13,447	14,299	13,155	16,415	13,296
Greenfield School District No. 1-97	8,957	9,418	8,665	10,812	8,738
Longdale School District No. 70	6,771	4,817	4,432	5,530	4,479
Marland Independent School District No. 5	4,675	9,569	8,803	10,985	8,898
Critcheo Dependent School District No. 5	3,035	2,832	2,605	3,251	2,633
Canton Independent School District No. 105	20,045	24,630	22,660	28,275	22,903
Chattanooga Independent School District No. 132	11,285	6,829	5,906	7,370	5,970
Gracemont School District F-36	11,285	10,253	9,433	11,770	9,433
Weetka School District F-31	10,894	12,376	11,836	14,208	11,508
Pleicher Independent School District No. 15	21,931	21,600	19,872	24,797	20,086
Boone Dependent School District No. 56	11,311	10,743	9,884	12,333	9,990

Oklahoma

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
			Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction	
Oklahoma	1st.....	Waukomis Independent School District No. 1.....	\$13,132	\$14,918	\$13,725	\$17,126	\$13,872
	2d.....	Briggs School District I-46.....	5,058	5,449	5,013	6,255	5,067
	6th.....	Seeling Independent School District No. 8.....	8,937	9,463	8,706	10,864	8,809
	6th.....	Stocker Independent School District No. 71.....	6,392	7,261	6,680	8,336	6,732
	4th.....	Earlsboro Independent School District No. 34.....	4,710	5,373	4,943	6,068	4,996
	6th.....	Onyx Independent School District No. 10.....	3,573	3,404	3,132	3,908	3,165
	6th.....	Indianola Independent School District No. 2.....	12,875	14,626	13,456	16,791	13,601
	6th.....	Binger Independent School District No. 15.....	9,233	13,836	12,729	15,884	12,866
	4th.....	Lamar Dependent School District No. 4.....	2,614	2,970	2,732	3,410	2,762
	6th.....	Verden School District I-99.....	5,217	6,806	6,844	7,917	6,413
	1st.....	Ralsion School District I-69.....	4,425	5,224	4,800	5,997	4,853
	5th.....	Pleasant Hill Dependent School District No. 45.....	5,569	5,138	4,727	5,898	4,777
	4th.....	Saskaw Independent School District No. 10.....	11,197	11,950	10,994	13,719	11,112
	6th.....	Cordell Independent School District No. 78.....	24,460	21,890	20,139	25,130	20,355
	6th.....	Dill City Independent School District No. 3.....	14,845	9,714	9,123	11,384	9,221
	6th.....	Alden Dependent School District No. 69.....	8,551	9,714	8,937	11,152	9,033
	6th.....	Alpheacone Dependent School District No. 3.....	6,047	6,809	6,319	7,886	6,388
	3d.....	Crowder Independent School District No. 28.....	4,437	6,299	5,795	7,231	5,857
	6th.....	Apache Independent School District No. 6.....	27,967	34,570	31,804	39,686	32,146
	3d.....	Pawshaw Independent School District No. 39.....	4,291	2,103	1,935	2,414	1,955
	5th.....	Oklahoma City Independent School District No. 89.....	1,019,224	1,157,838	1,065,211	1,329,198	1,076,650
	4th.....	McLoud Independent School District.....	23,514	24,189	22,254	27,769	22,493
	3d.....	Savanna Independent School District No. 30.....	7,046	8,004	7,364	9,189	7,443
	4th.....	Bethel Independent School District No. 3.....	8,183	9,296	8,552	10,672	8,644
	3d.....	Hartshorne Independent School District No. 1.....	24,195	27,000	24,840	30,996	25,107
	2d.....	Eufaula Independent School District No. 1.....	26,996	28,680	26,386	32,925	26,669
	2d.....	Fame Dependent School District No. 8.....	2,465	2,800	2,576	3,214	2,603
	5th.....	Harrah Independent School District.....	41,778	47,460	43,663	54,454	44,132
	5th.....	Arcadia Independent School District No. 5.....	7,590	6,460	5,943	7,416	6,007
	5th.....	Newalla Dependent School District No. 66.....	2,632	2,656	2,444	3,049	2,470
	4th.....	Dale Independent School District No. 2.....	14,975	19,433	17,878	22,309	18,070
	5th.....	State Center Dependent School District No. 2.....	5,184	3,635	3,344	4,173	3,380
	6th.....	Cyril Independent School District No. 64.....	9,631	11,240	10,341	12,904	10,452
	5th.....	Noble Independent School District No. 40.....	16,029	14,049	12,925	16,128	13,064
	4th.....	White Rock School District No. 5.....	3,278	3,278	2,082	2,598	2,104
	4th.....	Aeme School District No. 24.....	9,508	10,350	9,522	11,882	9,624
	6th.....	Tuttle School District I-97.....	9,182	10,431	9,522	11,882	9,700
	4th.....	Strother Independent School District No. 14.....	10,800	11,436	10,521	13,129	10,634

4th	Moeker Independent School District No. 95	13,377	12,522	11,520	14,375	11,644
4th	Wallston Independent School District No. 4	9,730	10,697	9,841	12,280	9,947
5th	Newcastle School District I-1	4,644	5,276	4,854	6,057	4,906
1st	Mingo Dependent School District No. 16	4,591	5,556	5,112	6,378	5,166
6th	Warren Independent School District No. 4	3,246	3,687	3,392	4,233	3,429
6th	Altus Independent School District No. 18	256,382	324,000	298,080	371,952	301,281
6th	Blair Public School District I-54	5,769	6,614	6,085	7,593	6,150
6th	Fort Cobb Independent School District No. 7	21,622	29,982	27,583	34,419	27,879
3d	Quinton Independent School District	5,093	7,456	6,933	8,559	6,983
4th	Freairie Valley School District I-12	4,715	4,843	4,456	5,560	4,504
5th	Blanchard Independent School District No. 29	10,108	11,400	10,488	13,087	10,600
6th	Calumet School District I-76	7,766	8,822	8,116	10,128	8,204
6th	Middleburg Dependent School District No. 96	2,590	1,983	1,824	2,276	1,844
2d	Walters Independent School District No. 1	14,338	12,849	11,821	14,751	11,948
6th	Foyl Independent School District No. 7	3,627	3,788	3,485	4,349	3,533
6th	Colony Independent School District No. 9	6,073	6,114	5,625	7,019	5,685
2d	Quapaw Independent School District No. 14	12,704	14,335	13,188	16,457	13,330
4th	Bearden Independent School District No. 29	5,683	6,456	5,940	7,411	6,003
6th	Hammon Independent School District No. 66	11,334	11,398	10,486	13,085	10,509
3d	Fillmore School District No. 34	2,122	2,411	2,218	2,768	2,242
2d	Twinn Hills Dependent School District No. 11	5,240	6,375	5,865	7,319	5,928
2d	Colcord Independent School District No. 4	7,131	6,570	6,044	7,542	6,109
1st	Pawnee Independent School District No. 1	33,241	27,762	34,741	43,351	35,114
6th	Burns Flat Independent School District No. 7	339,512	198,265	182,404	227,608	184,362
4th	Bowlegs Independent School District No. 3	8,397	9,338	8,591	10,720	8,683
4th	Butner School District I-15	10,966	14,107	12,978	16,195	13,118
4th	New Lima Independent School District No. 6	4,956	6,004	5,524	6,593	5,583
2d	Mason School District I-2	2,922	2,110	1,941	2,922	1,982
4th	Cleveland School District I-6	4,480	17,136	15,765	19,872	15,834
6th	Clinton School District I-99	43,600	37,681	34,648	43,235	35,020
4th	Limestone School District No. 44	2,546	2,892	2,681	3,220	2,689
4th	New Model School District D-32	1,782	2,024	1,892	2,324	1,882
6th	Culley Dependent School District No. 38	3,056	3,230	3,092	3,586	3,083
4th	Sentinel Independent School District No. 1	6,722	3,200	3,892	4,596	3,976
4th	Spaulding Independent School District No. 7	3,494	3,161	2,908	3,674	2,939
4th	Justice Dependent School District No. 54	3,600	3,600	3,312	4,133	3,348
4th	Dustin Independent School District No. 19	8,207	8,684	6,057	7,558	6,122
5th	Past Walnut Dependent School District No. 2	2,865	2,865	2,686	3,269	2,664
2d	Hulbert Independent School District No. 16	27,913	35,227	32,409	40,441	32,757
4th	Sams Dependent School District No. 20	4,074	5,050	4,637	5,786	4,687
5th	Little Axe Dependent School District No. 70	7,471	7,721	7,103	8,864	7,180
5th	South Gale Dependent School District No. 21	2,857	2,070	1,904	2,376	1,925
4th	Spring Hill Independent School District No. 53	2,269	3,941	3,626	4,524	3,664
2d	Brewer School District I-41	4,074	3,895	3,583	4,471	3,622
2d	Oak Hill School District I-37	2,037	2,314	2,129	2,656	2,151
4th	Centerville School District I-7	3,036	3,449	3,173	3,957	3,205
2d	Jay Independent School District No. 1	22,582	21,240	19,541	24,384	19,751
2d	Turkey Independent School District No. 10	1,358	1,543	1,420	1,771	1,435
1st	White Eagle School District No. 2	21,335	24,237	22,298	27,824	22,537
2d	Oak Ridge Dependent School District No. 40	6,112	6,112	5,630	7,026	5,691
2d		2,716	2,250	2,070	2,583	2,092

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Law 874		Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
			Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Oklahoma	2d	Dahleongah Dependent School District No. 29	\$8,489	\$8,611	\$10,745	\$8,703	\$10,745	\$8,703
	21	Salina Independent School District No. 16	9,083	9,493	11,845	9,594	11,845	9,594
	2d	Greasy Independent School District No. 32	14,601	13,248	16,531	13,390	16,531	13,390
	2d	Bell Dependent School District No. 33	15,196	14,242	17,771	14,395	17,771	14,395
	2d	Belfonte School District No. 50	7,810	7,949	9,919	8,034	9,919	8,034
	5th	Harrison Dependent School District No. 36	1,952	2,484	3,100	2,511	3,100	2,511
	2d	Leach Dependent School District No. 14	2,546	2,880	3,308	2,678	3,308	2,678
	2d	Kansas Independent School District No. 3	20,440	21,384	26,683	21,613	26,683	21,613
	4th	Vamoosa Independent School District No. 6	5,941	6,477	9,696	7,854	9,696	7,854
	21	Gore Independent School District No. 43	7,435	7,770	9,696	7,854	9,696	7,854
	3d	Willis Dependent School District No. 9	1,100	1,150	1,435	1,182	1,435	1,182
	3d	Powell Dependent School District No. 17	7,447	7,963	9,712	7,867	9,712	7,867
	6th	Lost City School District No. 1	27,126	17,673	22,033	17,863	22,033	17,863
	4th	Hobart Independent School District No. 32	11,889	9,853	12,985	9,939	12,985	9,939
	4th	Graham School District No. 3	3,910	2,263	2,598	2,004	2,598	2,004
	4th	Moss Independent School District No. 1	8,685	7,045	11,326	6,561	11,326	6,561
	2d	Henderson School District No. 62	10,817	9,866	11,326	9,174	11,326	9,174
	21	Mound Valley Dependent School District No. 39	4,819	4,721	5,892	4,773	5,892	4,773
	6th	Carlisle Dependent School District No. 27	10,725	9,680	11,489	9,306	11,489	9,306
	2d	Snyder Independent School District No. 4	9,678	10,008	12,021	10,223	12,021	10,223
	2d	Save Springs Independent School District No. 30	1,206	1,434	1,319	1,333	1,319	1,333
	6th	Sanite Independent School District No. 11	9,643	3,536	4,412	3,574	4,412	3,574
	6th	Central High School District No. 34	7,589	7,931	9,897	8,017	9,897	8,017
	5th	Schwartz Dependent School District No. 4	2,332	1,189	1,094	1,106	1,094	1,106
	4th	Johnson Dependent School District No. 9	2,037	2,314	2,656	2,151	2,656	2,151
	4th	Morse Dependent School District No. 11	1,697	1,774	2,213	1,793	2,213	1,793
	6th	Big Pasture Independent School District No. 333	10,721	12,555	14,413	11,675	14,413	11,675
	2d	Council Hill Independent School District No. 10	1,082	1,257	1,443	1,169	1,443	1,169
	3d	Pontotoc Dependent School District No. 43	4,159	4,725	5,424	4,393	5,424	4,393
	2d	Fentkiller Dependent School District No. 66	7,715	7,098	8,857	7,174	8,857	7,174
	2d	Briggs Dependent School District No. 44	5,008	3,465	6,819	5,523	6,819	5,523
	2d	Cookson Dependent School District No. 1	2,937	2,754	3,436	2,783	3,436	2,783
	2d	Rocky Ford Dependent School District No. 73	3,565	2,484	3,100	2,511	3,100	2,511
	2d	Little Rock Dependent School District No. 57	3,056	2,815	3,513	2,846	3,513	2,846
	2d	Ryal Dependent School District No. 3	7,773	5,999	6,887	5,578	6,887	5,578

2d	Skelly Dependent School District No. 1	4,414	5,014	4,613	5,756	4,662
2d	Rocky Mountain School District No. 1	6,367	8,100	7,452	9,299	7,532
3d	Bartlett School District E-71	3,905	5,130	4,720	5,889	4,770
2d	Marlette Dependent School District No. 22	3,905	4,500	4,140	5,166	4,184
2d	White Oak Independent School District No. 1	4,076	3,758	3,457	4,314	3,494
2d	Kenwood Dependent School District No. 30	7,131	4,680	4,306	5,373	4,352
2d	Stony Point Dependent School District No. 124	12,780	9,959	9,162	11,433	9,261
6th	Millwood Dependent School District No. 37	6,211	5,260	4,839	6,088	4,861
2d	East-West Peavine Dependent School District No. 19	9,270	7,560	6,955	8,679	7,030
2d	Alluwe Independent School District No. 50	10,530	10,530	9,688	12,088	9,791
2d	Blackgun Dependent School District No. 33	1,676	1,957	1,800	2,247	1,820
2d	Mulberry and Babbitt Township School District No. 35	2,801	2,250	2,070	2,583	2,062
2d	Kentucky School District No. 31	1,867	2,121	1,951	2,435	1,972
2d	Hilldale Dependent School District No. 29	2,546	2,892	2,661	3,320	2,689
2d	Indian Camp School District D-23	11,102	12,612	11,603	14,479	11,728
1st	Jet Independent School District No. 4	3,950	4,487	4,128	5,151	4,172
6th	Keyes School District I-11	24,699	20,528	18,886	23,566	19,088
1st	Glenwood Dependent School District No. 58	1,593	2,314	2,129	2,656	2,151
3d	Connersville School District D-40	1,645	1,860	1,719	2,146	1,738
2d	Wickliff Dependent School District No. 35	9,338	8,000	7,360	9,184	7,430
4th	Willow View Dependent School District No. 47	1,697	1,928	1,774	2,213	1,793
5th	Western Heights Dependent School District No. 41	24,091	34,236	31,497	39,303	31,835
6th	Bishop Dependent School District No. 49	5,142	3,600	3,312	4,133	3,348
4th	Manford Independent School District No. 3	21,653	21,231	19,538	24,369	19,748
3d	Tannahill Dependent School District No. 56	2,268	2,631	2,467	3,078	2,493
2d	Prue Dependent School District No. 50	5,352	6,555	5,847	7,296	5,910
1st	Brusley Dependent School District No. 36	1,867	1,890	1,739	2,170	1,738
2d	Osage Dependent School District No. 15	7,709	5,880	5,410	6,760	5,408
2d	North Bethel Dependent School District No. 49	8,843	10,046	9,242	11,533	9,342
3d	Sedan Independent School District No. 15	2,037	2,314	2,129	2,666	2,151
6th	Sedan Independent School District No. 9	7,819	8,882	8,171	10,197	8,260
3d	Blanco School District No. 51	1,613	1,800	1,656	2,066	1,673
2d	Grove Dependent School District No. 20	1,625	1,846	1,698	2,119	1,716
4th	Briantown Dependent School District No. 27	1,967	2,852	2,624	3,274	2,652
2d	Falls Dependent School District No. 31	1,528	1,841	1,694	2,113	1,712
5th	Ross Dependent School District No. 87	1,250	1,420	1,306	1,630	1,320
2d	North Rock Creek Dependent School District No. 10	1,697	1,928	1,774	2,213	1,793
4th	Lane County School District No. 76	2,534	2,879	2,649	3,305	2,677
3d	Bonneville School District No. 46	39,741	30,315	27,890	34,802	28,190
1st	Tillamook School District No. 9	20,754	24,272	22,330	27,864	22,570
4th	McKenzie River School District No. 68	72,263	58,331	53,664	66,964	54,241
4th	Gates School District No. 21	4,230	70,107	64,498	80,483	65,191
1st	Astoria School District No. 16	73,370	34,145	31,413	39,198	31,750
4th	Butte Falls School District No. 91	6,688	7,225	6,647	8,294	6,718
2d	Sisters School District No. 6	12,539	13,868	12,759	15,920	12,895
2d	Hermiston Unified School District No. 8	64,554	73,220	67,362	84,057	68,086
1st	Detroit School District No. 123-J	12,988	12,925	11,891	14,838	12,019
2d	Umatilla School District No. 6	35,855	28,636	26,345	32,874	26,628
1st	Columbia County School District No. 15	3,361	3,317	3,052	3,808	3,084
2d	Chenoweth School District No. 9	16,872	19,167	17,634	22,004	17,823
2d	Sherman County School District No. 3	10,369	11,779	10,837	13,522	10,953

Oregon

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Oregon	2d	Grant Unified High School District No. 3	\$13,005	\$8,929	\$8,215	\$10,250	\$8,303
	4th	Prospect School District No. 59	10,572	12,923	12,623	16,126	13,062
	1st	Alsea School District No. 70-J	12,195	13,854	12,746	15,904	12,882
	4th	Douglas County School District No. 21	3,240	5,664	5,202	6,491	5,258
	1st	Hebo School District No. 13-J	4,967	7,898	7,266	9,067	7,344
	1st	Mayer School District No. 23	2,192	1,738	1,595	1,995	1,616
	1st	Unified High School District No. U-3	9,694	11,387	10,476	13,072	10,588
	1st	Sandkiss School District No. 21	2,191	2,489	2,200	2,857	2,314
	4th	Mill City Unified High School District No. 9-J	12,749	12,299	11,315	14,119	11,436
	2d	Burns School District No. 1	17,338	21,285	19,582	24,435	19,792
	4th	Administrative School District No. 32	5,906	6,811	6,064	7,819	6,333
	2d	Adams School District No. 15	11,356	9,787	9,004	11,235	9,100
	8th	Warminster Township School District	132,411	173,139	159,288	192,764	160,999
	18th	Chambersburg Boro School District	66,250	75,260	69,239	86,398	69,982
	16th	Lower Swatara Township School District	43,109	48,972	45,054	56,220	45,538
Pennsylvania	19th	Hampden Township School District	26,006	33,298	30,634	38,226	30,963
	18th	Tell Township School District, Oriskania	4,292	4,876	4,486	5,598	4,534
	18th	Guilford Township School District	32,285	32,860	30,222	37,712	30,547
	18th	Greene Township School District	39,470	44,838	41,251	51,474	41,694
	18th	Lettikenny Township School District	11,663	13,249	12,189	15,210	12,320
	18th	Lurgan Township School District	10,544	11,978	11,020	13,751	11,138
	18th	Hamilton Township School District	16,235	18,443	16,968	21,173	17,150
	18th	St. Thomas Township School District	14,463	15,480	14,242	17,771	14,395
	16th	Middletown Boro School District	97,508	110,769	101,907	127,163	103,002
	15th	Coolbaugh Township School District	18,028	20,480	18,842	23,511	19,044
	18th	McConnellsburg Joint School District	13,053	12,870	11,840	14,775	11,968
	8th	Ivyland Boro School District	2,799	3,180	2,926	3,651	2,957
	18th	Shade Gap Boro School District	1,120	1,272	1,170	1,460	1,183
	16th	Londonderry Township School District	25,193	27,990	25,751	32,133	26,028
	16th	Royalton Boro School District	6,998	7,950	7,314	9,127	7,393
9th	Elizabethtown Area School District	60,091	59,400	54,648	68,191	55,235	
15th	Mount Pocono Boro School District	6,768	7,683	7,073	8,826	7,149	
19th	Central School District	83,564	94,929	87,335	108,978	88,272	
19th	Shippensburg Area Joint School System	60,538	62,820	57,794	72,117	58,415	
18th	Fanner-Metal Unified School District	18,848	17,820	16,394	20,457	16,570	
19th	Mechanicsburg Area Joint School District	49,174	55,862	51,393	64,130	51,945	

Rhode Island-----	1st-----	474, 385	450, 106	414, 097	515, 082	417, 216
	1st-----	343, 730	428, 014	393, 773	491, 390	398, 002
	2d-----	38, 430	44, 888	41, 297	50, 716	41, 080
	2d-----	436, 309	491, 163	451, 870	563, 855	456, 723
	1st-----	80, 802	152, 453	160, 257	175, 993	142, 554
	1st-----	21, 380	24, 252	22, 312	27, 552	22, 317
	2d-----	16, 398	7, 488	6, 889	8, 080	7, 031
	2d-----	14, 446	16, 528	15, 206	18, 608	15, 121
	1st-----	73, 773	86, 130	79, 240	98, 877	80, 090
	1st-----	636, 118	756, 000	695, 520	867, 888	702, 989
	1st-----	178, 002	191, 250	175, 950	219, 555	177, 840
	1st-----	323, 874	274, 950	282, 954	315, 643	255, 671
	1st-----	130, 392	100, 470	147, 682	184, 220	149, 218
	1st-----	64, 945	71, 100	65, 412	81, 623	66, 115
	1st-----	28, 864	34, 280	31, 547	39, 365	31, 886
	1st-----	11, 036	11, 250	10, 350	12, 915	10, 461
	1st-----	31, 156	36, 270	33, 368	41, 638	33, 727
	1st-----	350, 277	423, 450	389, 574	486, 121	393, 758
	1st-----	64, 689	75, 780	69, 718	86, 995	70, 466
	1st-----	122, 079	122, 079	122, 079	148, 957	120, 679
	1st-----	28, 009	32, 500	29, 900	37, 310	30, 221
	1st-----	76, 236	104, 610	96, 296	120, 161	97, 330
	1st-----	155, 442	184, 680	169, 906	212, 013	171, 731
	1st-----	235, 668	267, 719	246, 301	307, 341	248, 946
	1st-----	26, 932	35, 086	32, 279	40, 279	32, 026
	1st-----	2, 631	3, 960	3, 643	4, 546	3, 682
	1st-----	15, 534	16, 740	15, 401	19, 218	15, 567
	1st-----	51, 041	62, 476	57, 478	71, 722	58, 095
	1st-----	3, 634	4, 128	3, 798	4, 739	3, 839
	1st-----	96, 756	109, 915	101, 122	126, 182	102, 207
	1st-----	395, 900	683, 358	628, 689	784, 495	635, 441
	1st-----	5, 021	6, 726	6, 188	7, 721	6, 254
	1st-----	55, 135	62, 633	57, 622	71, 903	58, 241
	1st-----	13, 758	36, 171	33, 277	41, 524	33, 634
	1st-----	7, 545	8, 067	7, 975	9, 952	8, 061
	1st-----	20, 268	15, 245	14, 025	17, 501	14, 175
	1st-----	12, 575	14, 797	13, 613	16, 987	13, 759
	1st-----	7, 249	8, 295	7, 576	9, 454	7, 658
	1st-----	8, 137	9, 244	8, 504	10, 612	8, 896
	1st-----	3, 550	4, 033	3, 710	4, 630	3, 750
	1st-----	83, 391	92, 368	84, 979	106, 638	85, 891
	1st-----	184, 611	199, 835	183, 848	229, 411	185, 823
	1st-----	36, 481	51, 649	47, 517	59, 293	48, 027
	1st-----	7, 075	8, 037	7, 394	9, 226	7, 473
	1st-----	366, 989	540, 626	497, 376	620, 639	502, 718
	1st-----	95, 129	156, 340	143, 833	179, 478	145, 377
	1st-----	9, 173	10, 421	9, 587	11, 963	9, 694
	1st-----	6, 653	7, 563	6, 958	8, 682	7, 032
	1st-----	3, 099	4, 202	3, 866	4, 824	3, 907
	1st-----	23, 079	26, 218	24, 121	30, 098	24, 379
South Carolina-----	1st-----	474, 385	450, 106	414, 097	515, 082	417, 216
	1st-----	343, 730	428, 014	393, 773	491, 390	398, 002
	2d-----	38, 430	44, 888	41, 297	50, 716	41, 080
	2d-----	436, 309	491, 163	451, 870	563, 855	456, 723
	1st-----	80, 802	152, 453	160, 257	175, 993	142, 554
	1st-----	21, 380	24, 252	22, 312	27, 552	22, 317
	2d-----	16, 398	7, 488	6, 889	8, 080	7, 031
	2d-----	14, 446	16, 528	15, 206	18, 608	15, 121
	1st-----	73, 773	86, 130	79, 240	98, 877	80, 090
	1st-----	636, 118	756, 000	695, 520	867, 888	702, 989
	1st-----	178, 002	191, 250	175, 950	219, 555	177, 840
	1st-----	323, 874	274, 950	282, 954	315, 643	255, 671
	1st-----	130, 392	100, 470	147, 682	184, 220	149, 218
	1st-----	64, 945	71, 100	65, 412	81, 623	66, 115
	1st-----	28, 864	34, 280	31, 547	39, 365	31, 886
	1st-----	11, 036	11, 250	10, 350	12, 915	10, 461
	1st-----	31, 156	36, 270	33, 368	41, 638	33, 727
	1st-----	350, 277	423, 450	389, 574	486, 121	393, 758
	1st-----	64, 689	75, 780	69, 718	86, 995	70, 466
	1st-----	122, 079	122, 079	122, 079	148, 957	120, 679
	1st-----	28, 009	32, 500	29, 900	37, 310	30, 221
	1st-----	76, 236	104, 610	96, 296	120, 161	97, 330
	1st-----	155, 442	184, 680	169, 906	212, 013	171, 731
	1st-----	235, 668	267, 719	246, 301	307, 341	248, 946
	1st-----	26, 932	35, 086	32, 279	40, 279	32, 026
	1st-----	2, 631	3, 960	3, 643	4, 546	3, 682
	1st-----	15, 534	16, 740	15, 401	19, 218	15, 567
	1st-----	51, 041	62, 476	57, 478	71, 722	58, 095
	1st-----	3, 634	4, 128	3, 798	4, 739	3, 839
	1st-----	96, 756	109, 915	101, 122	126, 182	102, 207
	1st-----	395, 900	683, 358	628, 689	784, 495	635, 441
	1st-----	5, 021	6, 726	6, 188	7, 721	6, 254
	1st-----	55, 135	62, 633	57, 622	71, 903	58, 241
	1st-----	13, 758	36, 171	33, 277	41, 524	33, 634
	1st-----	7, 545	8, 067	7, 975	9, 952	8, 061
	1st-----	20, 268	15, 245	14, 025	17, 501	14, 175
	1st-----	12, 575	14, 797	13, 613	16, 987	13, 759
	1st-----	7, 249	8, 295	7, 576	9, 454	7, 658
	1st-----	8, 137	9, 244	8, 504	10, 612	8, 896
	1st-----	3, 550	4, 033	3, 710	4, 630	3, 750
	1st-----	83, 391	92, 368	84, 979	106, 638	85, 891
	1st-----	184, 611	199, 835	183, 848	229, 411	185, 823
	1st-----	36, 481	51, 649	47, 517	59, 293	48, 027
	1st-----	7, 075	8, 037	7, 394	9, 226	7, 473
	1st-----	366, 989	540, 626	497, 376	620, 639	502, 718
	1st-----	95, 129	156, 340	143, 833	179, 478	145, 377
	1st-----	9, 173	10, 421	9, 587	11, 963	9, 694
	1st-----	6, 653	7, 563	6, 958	8, 682	7, 032
	1st-----	3, 099	4, 202	3, 866	4, 824	3, 907
	1st-----	23, 079	26, 218	24, 121	30, 098	24, 379
South Dakota-----	1st-----	474, 385	450, 106	414, 097	515, 082	417, 216
	1st-----	343, 730	428, 014	393, 773	491, 390	398, 002
	2d-----	38, 430	44, 888	41, 297	50, 716	41, 080
	2d-----	436, 309	491, 163	451, 870	563, 855	456, 723
	1st-----	80, 802	152, 453	160, 257	175, 993	142, 554
	1st-----	21, 380	24, 252	22, 312	27, 552	22, 317
	2d-----	16, 398	7, 488	6, 889	8, 080	7, 031
	2d-----	14, 446	16, 528	15, 206	18, 608	15, 121
	1st-----	73, 773	86, 130	79, 240	98, 877	80, 090
	1st-----	636, 118	756, 000	695, 520	867, 888	702, 989
	1st-----	178, 002	191, 250	175, 950	219, 555	177, 840
	1st-----	323, 874	274, 950	282, 954	315, 643	255, 671
	1st-----	130, 392	100, 470	147, 682	184, 220	149, 218
	1st-----	64, 945	71, 100	65, 412	81, 623	66, 115
	1st-----	28, 864	34, 280	31, 547	39, 365	31, 886
	1st-----	11, 036	11, 250	10, 350	12, 915	10, 461
	1st-----	31, 156	36, 270	33, 368	41, 638	33, 727
	1st-----	350, 277	423, 450	389, 574	486, 121	393, 758
	1st-----	64, 689	75, 780	69, 718	86, 995	70, 466
	1st-----	122, 079	122, 079	122, 079	148, 957	120, 679
	1st-----	28, 009	32, 500	29, 900	37, 310	30, 221
	1st-----	76, 236	104, 610	96, 296	120, 161	97, 330
	1st-----	155, 442	184, 680	169, 906	212, 013	171, 731
	1st-----	235, 668	267, 719	246, 301	307, 341	248, 946
	1st-----	26, 932	35, 086	32, 279	40, 279	32, 026
	1st-----	2, 631	3, 960	3, 643	4, 546	3, 682
	1st-----	15, 534	16, 740	15, 401	19, 218	15, 567
	1st-----	51, 041	62, 476	57, 478	71, 722	58, 095
	1st-----	3, 634	4, 128	3, 798	4, 739	3, 839
	1st-----	96, 756	109, 915	101, 122	126, 182	102, 207
	1st-----	395, 900	683, 358	628, 689	784, 495	635, 441
	1st-----	5, 021	6, 726	6, 188	7, 721	6, 254
	1st-----	55, 135	62, 633	57, 622	71, 903	58, 241
	1st-----	13, 758	36, 171	33, 277	41, 524	33, 634
	1st-----	7, 545	8, 067	7, 975	9, 952	8, 061
	1st-----	20, 268	15, 245	14, 025	17, 501	14, 175
	1st-----	12, 575	14, 797	13, 613	16, 987	13, 759
	1st-----	7, 249	8, 295	7, 576	9, 454	7, 658
	1st-----	8, 137	9, 244	8, 504	10, 612	8, 896
	1st-----	3, 550	4, 033	3, 710	4, 630	3, 750
	1st-----	83, 391	92, 368	84, 979	106, 638	85, 891
	1st-----	184, 611	199, 835	183, 848	229, 411	185, 823
	1st-----	36, 481	51, 649	47, 517	59, 293	48, 027
	1st-----	7, 075	8, 037	7, 394	9, 226	7, 473
	1st-----	366, 989	540, 626	497, 376	620, 639	502, 718
	1st-----	95, 129	156, 340	143, 833	179, 478	145, 377
	1st-----	9, 173	10, 421	9, 587	11, 963	9, 694
	1st-----	6, 653	7, 563	6, 958	8, 682	7, 032
	1st-----	3, 099	4, 202	3, 866	4, 824	3, 907
	1st-----	23, 079	26, 218	24, 121	30, 098	24, 379
	1st-----	474, 385	450, 106	414, 097	515, 082	417, 216
	1st-----	343, 730	428, 014	393, 773	491, 390	398, 002
	2d-----	38, 430	44, 888	41, 297	50, 716	41, 080
	2d-----	436, 309	491, 163	451, 870	563, 855	456, 723
	1st-----	80, 802	152, 453	160, 257	175, 993	142, 554
	1st-----	21, 380	24, 252	22, 312	27, 552	22, 317
	2d-----	16, 398	7, 488			

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
South Dakota	2d	Fairview Consolidated School District No. 15, Rapid City	\$9,745	\$11,070	\$10,184	\$12,708	\$10,293
	2d	Eagle Butte Independent School District No. 3	59,917	68,066	62,621	78,140	63,293
	1st	Gettysburg Independent School District No. 1	12,427	15,544	14,300	17,845	14,454
	2d	Eastern School District, Dupree	3,847	4,370	4,020	5,017	4,064
	2d	Fairview School District, No. 3, Dupree	3,781	4,295	3,951	4,931	3,994
	2d	Interior Independent School District No. 55	5,210	5,919	5,445	6,795	5,504
	2d	Bentley County Independent High School District, Martin	4,669	5,782	5,319	6,638	5,377
	2d	White River Independent School District	20,712	27,053	24,889	31,057	25,156
	2d	Martin Consolidated School District No. 2	11,947	17,033	16,156	20,000	15,109
	2d	McLaughlin Independent School District No. 3	9,336	11,511	10,991	13,715	11,109
	2d	Vermilion Independent School District No. 55	18,936	21,511	19,790	24,695	20,093
	2d	Vermilion Independent School District No. 1	1,627	1,848	1,700	2,122	1,719
	2d	Wahpeton Independent School District No. 1	23,227	26,386	24,275	29,291	24,536
	1st	Wahpeton Independent School District No. 83, Greenwood	12,652	19,106	17,660	22,037	17,856
	2d	Since Independent School District No. 4, Wapakpa	33,859	34,825	32,030	39,979	32,883
	2d	Boulder Park Consolidated School District No. 14, Deadwood	2,810	3,192	2,937	3,664	2,968
	2d	St. Charles Consolidated School District No. 104	9,468	10,756	9,896	12,345	10,002
	1st	Elvira Township Independent School District No. 4, Gann Valley	8,580	9,747	8,987	11,190	9,064
	2d	Blackpipe Consolidated School District No. 8, Norris	9,764	12,256	11,276	14,070	11,397
	2d	North River School District No. 16, Dupree	4,586	5,210	4,783	5,881	4,845
	1st	Dry Run Consolidated School District No. 12, Pierre	5,030	5,714	5,257	6,560	5,314
	2d	Provo Independent School District No. 36, Igloo	170,864	179,934	163,339	206,564	167,317
	2d	Washington Consolidated School District No. 26, Norris	2,515	2,857	2,628	3,280	2,657
	2d	Edgemont Independent School District No. 37	17,457	19,580	18,014	22,478	18,207
	1st	Victory School District No. 8, Fort Thompson	12,279	22,700	20,884	26,060	21,109
	2d	Keystone Consolidated School District No. 2	3,445	3,914	3,601	4,493	3,639
	2d	Martin Consolidated School District No. 3	5,698	7,254	6,674	8,328	6,746
	2d	Evergreen Consolidated School District No. 17	3,106	3,528	3,246	4,050	3,281
	1st	Pukwana Independent School District No. 1	2,663	3,288	3,025	3,775	3,058
	2d	Duncan Consolidated School District No. 2, Keldron	3,699	4,202	3,866	4,824	3,907
	2d	Hermosa School District No. 10	1,479	1,680	1,546	1,929	1,562
	2d	Anderson County Board of Education, Clinton	152,140	162,047	149,083	186,030	150,684
	4th	Rutherford County School Commission, Murfreesboro	198,235	212,312	195,327	243,734	197,425
	4th	Murfreesboro Board of Education	57,333	63,507	58,426	72,906	59,054
	2d	Lenoir City School District	25,128	26,100	24,012	29,963	24,270
	4th	Tullahoma City Board of Education	98,385	110,250	101,430	126,567	102,519
	2d	Roane County Board of Education, Kingston	190,583	216,502	199,182	248,544	201,321
	6th	Clarksville City Schools	67,492	78,750	72,450	90,405	73,228
Tennessee	2d						
	2d						

6th.....	Montgomery County Board of Education, Clarksville.....	101,874	115,380	106,150	132,456	107,289
2d.....	London County Board of Education.....	43,975	51,570	47,444	59,202	47,954
4th.....	Manchester City Schools.....	31,665	37,080	34,114	42,568	34,480
1st.....	Rogersville Board of Mayors and Commissioners.....	8,671	9,850	9,062	11,308	9,159
2d.....	Rockwood City School District.....	21,957	24,613	22,644	28,256	22,887
18th.....	Clinton City School District.....	26,547	30,157	27,744	34,620	28,042
1st.....	Paulhandle Independent School District.....	20,289	25,920	23,846	29,756	24,102
1st.....	New Boston Independent School District.....	51,361	55,800	51,336	64,058	51,887
1st.....	Nash Independent School District.....	9,932	12,600	11,592	14,465	11,717
1st.....	Matia Consolidated School District No. 8, New Boston.....	3,932	2,933	2,754	3,436	2,783
1st.....	Maud Independent School District.....	9,932	12,330	11,344	14,155	11,466
1st.....	Red Lick Consolidated School District No. 10, Texarkana.....	2,784	2,893	3,321	2,680	2,680
1st.....	Simms Consolidated School District No. 6.....	13,752	16,950	15,594	19,459	15,762
16th.....	Belton Independent School District.....	48,814	57,240	52,661	65,712	53,227
11th.....	Ysleta Independent School District.....	424,475	536,940	493,985	616,407	499,290
1st.....	Jones Crossing Consolidated School District No. 25, De Kalb.....	1,338	1,250	1,150	1,435	1,162
1st.....	Macedonia Consolidated School District No. 39, Texarkana.....	10,187	13,050	12,006	14,981	12,135
1st.....	Hubbard Consolidated School District No. 53, De Kalb.....	5,178	1,796	1,652	2,062	1,670
1st.....	Leary Consolidated School District No. 67.....	1,078	6,300	5,796	7,232	5,858
1st.....	Hooks Independent School District.....	58,662	71,370	65,660	81,933	66,366
1st.....	Texarkana Independent School District.....	71,994	86,940	79,985	99,807	80,844
11th.....	Temple Independent School District.....	84,215	95,668	88,015	109,827	88,960
1st.....	Redwater Independent School District.....	7,047	9,900	9,108	11,365	9,206
1st.....	Pleasant Grove Consolidated School District No. 42, Texarkana.....	3,141	4,320	3,974	4,959	4,017
12th.....	Lake Worth Independent School District, Fort Worth.....	28,270	29,880	27,490	34,302	27,785
17th.....	Weatherford Independent School District.....	43,041	48,895	44,983	56,131	45,466
1st.....	Marietta Consolidated School District No. 42.....	1,697	1,800	1,656	2,066	1,673
12th.....	Castleberry Independent School District, Fort Worth.....	119,956	121,500	111,780	139,482	112,980
16th.....	El Paso Independent School District.....	1,260,668	1,461,218	1,344,321	1,677,478	1,358,757
1st.....	De Kalb Independent School District.....	29,628	35,550	32,706	40,811	33,057
12th.....	Birdville Independent School District, Fort Worth.....	133,454	149,400	137,448	171,511	138,924
12th.....	Keller Independent School District.....	8,404	8,100	7,452	9,290	7,532
20th.....	Harlandale Independent School District, San Antonio.....	308,593	337,230	310,252	387,140	313,883
15th.....	Devine Independent School District.....	19,186	22,950	21,114	26,347	21,841
12th.....	Azle Independent School District.....	41,004	46,581	42,855	53,473	43,315
11th.....	Kannack Independent School District.....	26,657	23,330	23,330	33,786	27,367
19th.....	Freanship Rural High School District, Wolffort.....	13,705	14,310	13,165	16,428	13,307
11th.....	Killeen Independent School District.....	59,706	71,100	63,412	81,623	66,115
12th.....	Benbrook Consolidated School District No. 58, Fort Worth.....	373,353	687,500	641,700	800,730	648,591
14th.....	Lytle Independent School District.....	25,977	17,550	16,146	20,147	16,319
17th.....	Mineral Wells Independent School District.....	8,744	8,820	8,114	10,125	8,201
12th.....	Chapin Consolidated School District No. 39, Fort Worth.....	113,334	114,480	105,322	131,423	106,453
21st.....	Lampasas Independent School District.....	11,206	6,300	5,796	7,232	5,858
12th.....	White Settlement Independent School District No. 920, Fort Worth.....	30,307	38,520	35,438	44,221	35,819
20th.....	South San Antonio Independent School District, San Antonio.....	164,696	188,550	173,466	216,455	175,329
6th.....	Granbury Independent School District.....	132,902	150,977	138,899	173,322	140,391
1st.....	Avery Independent School District.....	15,366	14,400	13,331	16,635	13,474
12th.....	Everman Independent School District.....	7,385	8,820	8,114	10,125	8,201
14th.....	Flour Bluff Independent School District, Corpus Christi.....	15,366	19,890	18,299	22,834	18,496
		82,773	94,030	86,508	107,946	87,436

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Texas	13th	Burkburnett Independent School District	\$187, 049	\$220, 860	\$203, 191	\$253, 547	\$205, 373
	20th	Southside Rural High School District No. 17, San Antonio	16, 045	18, 227	16, 769	20, 925	16, 949
	13th	Iowa Park Independent School District	16, 979	24, 120	22, 190	27, 090	22, 420
	10th	Colorado Consolidated School District No. 36, Del Valle	83, 621	102, 600	94, 392	117, 785	95, 406
	17th	Aledo Independent School District	6, 282	6, 570	6, 044	7, 542	6, 109
	18th	Middle Well Consolidated School District No. 3, Dumas	7, 114	7, 231	6, 653	8, 301	6, 724
	16th	Socorro Consolidated School District No. W-5, El Paso	8, 319	8, 450	8, 694	10, 849	8, 788
	17th	Springtown Independent School District	8, 659	8, 460	7, 783	9, 712	7, 867
	17th	Bluff Dale Consolidated School District	1, 104	1, 254	1, 154	1, 440	1, 166
	20th	Edgewood Independent School District	317, 082	429, 120	394, 790	492, 630	393, 030
	20th	Southwest Rural High School District, No. 29, Alamosa	22, 327	26, 550	24, 426	30, 479	24, 688
	14th	Schertz-Gibole Consolidated School District No. 29, Schertz	73, 773	83, 806	77, 102	96, 209	77, 929
	11th	Gatesville Independent School District	43, 656	51, 121	47, 031	58, 687	47, 536
	6th	San Antonio Independent School District	1, 146, 167	1, 285, 830	1, 182, 964	1, 476, 133	1, 195, 688
	14th	Burleson Independent School District	14, 262	16, 202	14, 906	18, 600	15, 066
	21st	New Braunfels Independent School District	35, 910	49, 500	45, 540	56, 826	46, 029
	26th	Berne Co. Line Independent School District	12, 055	14, 400	13, 248	16, 531	13, 390
	20th	Northeast Independent School District, San Antonio	297, 133	337, 543	310, 540	387, 499	313, 874
	20th	Randolph Field Independent School District, Randolph AFB	293, 438	348, 656	320, 764	400, 257	324, 208
	17th	Lackland Independent School District, Lackland AFB	190, 340	231, 680	231, 546	288, 629	234, 082
	17th	Gartner Consolidated School District No. 83	2, 060	2, 295	2, 111	2, 635	2, 134
	17th	Wampler Consolidated School District No. 41, Weatherford	1, 077	1, 010	1, 010	1, 021	971
	16th	San Vicente Consolidated School District No. 2, Big Bend National Park	6, 833	7, 876	7, 246	9, 042	7, 324
	16th	Pryor Independent School District	9, 251	10, 438	9, 603	11, 983	9, 706
	11th	Coppernys Cove Independent School District	73, 349	103, 800	101, 016	126, 050	102, 101
	14th	Kingsville Independent School District	93, 951	89, 580	82, 386	102, 805	83, 270
	11th	Reno Consolidated School District No. 18, Weatherford	1, 706	1, 487	1, 377	1, 719	1, 392
	12th	Connelly Consolidated Independent School District, Waco	102, 883	120, 420	110, 786	138, 242	110, 976
	12th	Rendon Consolidated School District No. 68, Fort Worth	2, 631	2, 700	2, 484	3, 100	2, 311
	11th	Carleyville Consolidated School District No. 28, Fort Worth	2, 886	3, 600	3, 312	4, 183	3, 548
	15th	Lavaca Independent School District, Waco	44, 315	47, 880	44, 060	54, 966	44, 322
	5th	Natalia Independent School District	17, 063	17, 100	15, 732	19, 631	15, 901
	20th	Duncanville Independent School District	17, 963	19, 364	17, 833	22, 253	18, 025
	19th	Somerset Independent School District	11, 715	13, 308	12, 243	15, 278	12, 375
	21st	Big Spring Independent School District	169, 790	192, 881	177, 451	221, 427	179, 356
	21st	Del Rio Independent School District	141, 774	175, 500	161, 490	201, 474	163, 194
	20th	Fort Sam Houston Independent School District	376, 996	364, 672	335, 498	418, 643	339, 101

16th.....	137, 275	115, 020	105, 818	122, 043	105, 955
18th.....	129, 223	173, 204	104, 923	205, 793	106, 694
15th.....	180, 221	98, 640	91, 749	113, 239	91, 724
4th.....	86, 818	103, 050	94, 806	118, 301	95, 823
17th.....	7, 946	7, 960	6, 965	8, 079	7, 030
14th.....	98, 340	78, 570	72, 284	90, 198	73, 000
12th.....	52, 634	70, 830	65, 104	81, 313	65, 804
21st.....	2, 037	2, 314	2, 129	2, 536	2, 151
20th.....	156, 631	233, 010	214, 369	247, 495	216, 671
19th.....	340, 853	477, 000	438, 840	567, 596	443, 553
17th.....	5, 348	8, 100	7, 452	9, 299	7, 532
16th.....	3, 480	4, 410	4, 057	5, 063	4, 101
15th.....	1, 019	1, 138	1, 065	1, 329	1, 076
14th.....	11, 400	13, 019	11, 977	14, 946	12, 106
13th.....	6, 338	6, 995	6, 435	8, 030	6, 504
12th.....	1, 167	1, 326	1, 220	1, 522	1, 233
11th.....	5, 063	5, 940	5, 465	6, 819	5, 523
10th.....	213, 171	208, 830	247, 324	308, 017	249, 980
9th.....	6, 847	6, 299	6, 760	7, 800	6, 387
8th.....	5, 093	5, 786	5, 323	6, 412	5, 380
7th.....	12, 993	14, 760	13, 579	16, 944	13, 725
6th.....	10, 357	16, 740	15, 401	19, 218	15, 066
5th.....	13, 073	21, 150	19, 458	24, 280	19, 067
4th.....	2, 971	3, 375	3, 105	3, 575	3, 139
3rd.....	4, 074	4, 628	4, 258	5, 313	4, 304
2d.....	275, 361	323, 460	297, 583	371, 332	300, 779
1st.....	315, 805	389, 400	338, 303	447, 100	362, 151
1st.....	330, 578	357, 127	328, 557	409, 982	332, 085
1st.....	138, 448	201, 400	185, 288	231, 207	187, 278
2d.....	641, 975	721, 620	603, 890	828, 420	671, 020
1st.....	59, 659	115, 516	106, 275	132, 612	107, 416
1st.....	27, 251	26, 000	23, 920	29, 848	24, 177
1st.....	30, 479	38, 173	35, 119	43, 823	35, 497
1st.....	5, 286	6, 005	5, 525	6, 804	5, 584
At large.....	754, 301	997, 920	918, 080	1, 145, 012	927, 946
1st.....	83, 115	102, 690	94, 475	117, 888	95, 489
2d.....	1, 039, 403	1, 487, 462	1, 368, 483	1, 707, 029	1, 383, 179
1st.....	556, 401	604, 364	550, 015	693, 810	501, 986
1st.....	297, 720	334, 980	308, 182	384, 557	311, 491
10th.....	1, 531, 835	1, 698, 495	1, 602, 615	1, 929, 020	1, 563, 235
10th.....	3, 635, 914	3, 997, 980	3, 678, 150	4, 540, 235	3, 077, 590
2d.....	517, 041	473, 480	435, 610	543, 565	440, 288
8th.....	56, 030	63, 810	58, 705	73, 254	59, 336
8th.....	78, 903	96, 480	88, 762	110, 759	89, 715
4th.....	211, 133	272, 790	250, 967	313, 163	253, 662
2d.....	2, 627, 178	2, 984, 474	2, 745, 716	3, 426, 176	2, 775, 203
10th.....	651, 720	707, 060	650, 495	801, 951	649, 680
9th.....	72, 530	96, 480	88, 762	110, 759	89, 715
6th.....	27, 251	30, 957	28, 480	35, 530	28, 787
8th.....	315, 029	428, 708	387, 134	483, 076	301, 292
10th.....	115, 221	108, 185	99, 530	122, 752	90, 405
1st.....	27, 166	28, 800	26, 496	33, 062	20, 780

Utah

Vermont
Virginia

Estimated effect of an 8-percent and a 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State	Congressional district	Name of district	Fiscal year 1961, net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
				Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Virginia	6th	County of Montgomery School Board	\$80,650	\$106,650	\$98,118	\$122,434	\$89,172
	4th	County of Nansemond School Board	104,421	111,600	102,672	128,117	103,775
	1st	County of Gloucester School Board	47,371	64,800	59,616	74,380	60,256
	3d	City of Colonial Heights School Board	32,260	36,647	33,715	42,071	34,078
	9th	County of Giles School Board	9,423	14,580	13,414	16,738	13,558
	1st	City of Williamsburg and County of James City School Board	70,463	69,430	63,922	79,763	64,608
	1st	City of Newport News School Board	657,420	660,880	608,010	758,680	614,589
	6th	North Kitsap School District No. 400	79,334	88,999	81,879	102,171	82,759
	6th	Clover Park School District No. 400	765,528	869,640	800,069	998,347	808,061
	2d	Franklin Pierce School District No. 402	122,922	155,349	142,921	178,341	144,456
Washington	4th	Oak Harbor School District No. 201	272,538	359,808	331,023	413,060	334,579
	4th	White Swan School District No. 88	47,120	49,598	45,630	56,939	46,121
	4th	Kennewick School District No. 17	223,070	253,120	232,870	290,582	235,371
	6th	Bremerton Consolidated School District No. 100-C	534,996	578,900	532,588	664,577	538,307
	5th	Bridgeport School District No. 75	16,053	16,176	14,882	18,572	15,042
	4th	Granger School District No. 204	39,443	44,488	40,929	51,072	41,368
	6th	Central Kitsap School District No. 401	117,508	135,604	124,756	155,673	126,095
	4th	Kiona-Benton City Consolidated School District No. 202	54,410	60,642	55,791	69,617	56,390
	4th	Tappanish School District No. 1	34,553	41,694	38,358	47,865	38,771
	4th	Moses Lake School District No. 161	366,997	541,311	498,006	621,425	503,354
	6th	Stellacoom School District No. 1	11,014	13,631	12,541	15,648	12,675
	4th	Wapato School District No. 207	100,646	117,756	108,336	135,184	109,499
	4th	Ephrata Joint Consolidated School District No. 165	54,211	91,531	84,209	105,078	85,113
	6th	Bethel School District No. 403	55,814	65,848	60,580	75,594	61,231
	4th	Harrah Grade School District No. 108	35,166	30,348	27,920	34,840	28,220
	6th	S. Kitsap School District No. 402	207,950	226,809	208,664	260,377	210,905
	2d	Coupeville Consolidated School District No. 204	24,267	24,537	22,574	28,168	22,816
	4th	Grant County School District No. 156	15,897	23,812	21,907	27,336	22,142
	5th	Coulee Dam, School District No. 401	46,354	53,821	49,515	61,787	50,047
	6th	DuPont-Fort Lewis No. 7	399,567	466,547	429,223	535,596	433,833
	5th	Medical Lake School District No. 326	268,804	286,142	263,251	328,491	266,078
	4th	Lytle School District No. 97	10,433	11,375	10,465	13,059	10,578
	3d	Quinalt School District No. 94	16,826	19,095	17,567	21,921	17,756
	4th	Lower Crab Creek School District No. 160	11,924	12,379	11,389	14,211	11,511
	4th	Wishram School District No. 94	7,457	3,559	3,274	4,086	3,310
	2d	Blaine School District No. 503	12,880	16,637	15,306	19,099	15,470
	3d	Mill A School District No. 31	3,733	4,241	3,902	4,869	3,944

4th.....	28,747	27,367	25,178	31,411	29,449
5th.....	18,840	18,509	18,478	23,509	19,042
6th.....	18,803	20,478	20,478	58,237	47,172
7th.....	38,274	50,799	46,671	58,237	23,878
8th.....	23,180	25,670	26,625	29,479	7,361
9th.....	6,950	7,895	17,263	9,063	17,450
10th.....	15,328	18,766	17,263	21,543	35,323
11th.....	26,134	30,769	28,207	35,323	28,612
12th.....	24,660	22,663	20,841	21,065	21,065
13th.....	87,081	106,180	97,693	121,906	98,744
14th.....	22,027	21,245	19,548	24,393	19,758
15th.....	13,066	15,735	14,476	18,064	14,632
16th.....	7,373	6,314	5,809	7,248	5,871
17th.....	15,151	12,700	11,684	11,580	11,810
18th.....	6,813	6,214	5,779	7,134	5,779
19th.....	4,496	3,665	3,572	4,207	3,408
20th.....	4,480	3,089	3,872	5,842	4,782
21st.....	4,573	3,195	4,082	5,964	4,831
22nd.....	16,596	19,319	17,773	22,178	17,984
23rd.....	11,649	11,315	10,410	12,000	10,522
24th.....	3,159	2,157	1,984	2,476	2,006
25th.....	11,573	5,407	4,974	6,207	5,028
26th.....	9,403	14,332	13,185	16,593	13,327
27th.....	15,026	12,060	11,095	11,214	11,214
28th.....	17,804	14,833	13,646	13,843	13,793
29th.....	3,683	18,327	16,861	17,028	17,042
30th.....	2,366	2,445	2,249	21,039	2,274
31st.....	4,148	2,016	1,855	2,807	2,314
32nd.....	1,798	2,756	1,855	2,314	1,574
33rd.....	7,373	2,043	1,880	3,164	2,563
34th.....	81,879	7,347	1,880	2,345	1,899
35th.....	1,819	95,558	6,759	8,832	8,885
36th.....	2,842	2,066	87,941	109,735	88,885
37th.....	3,208	2,913	1,901	2,372	1,921
38th.....	46,052	2,913	2,066	3,344	2,709
39th.....	7,950	3,249	2,989	3,730	3,021
40th.....	7,950	43,135	39,684	3,730	40,110
41st.....	42,772	5,002	5,154	49,519	40,110
42nd.....	7,950	8,963	8,246	6,431	5,209
43rd.....	96,097	42,684	39,269	6,431	8,335
44th.....	96,097	143,081	131,635	49,001	39,691
45th.....	20,775	19,538	17,975	164,257	133,048
46th.....	14,359	16,312	15,007	22,430	18,168
47th.....	6,721	7,635	7,024	18,726	15,168
48th.....	8,554	8,266	7,605	8,765	7,100
49th.....	1,137	1,292	1,189	9,489	7,686
50th.....	1,478	1,232	1,133	1,483	1,201
51st.....	398,952	438,976	403,858	1,414	1,145
52nd.....	9,905	11,252	10,352	503,944	408,195
53rd.....	6,378	9,245	6,665	12,917	10,463
54th.....	120,727	102,929	94,695	8,317	6,737
55th.....	66,297	41,524	38,202	118,162	95,711
56th.....	25,652	29,141	26,810	47,670	38,613
57th.....	12,385	14,069	12,943	33,454	27,098
58th.....	721,473	818,452	752,957	16,151	13,082
59th.....				939,580	761,044

Wisconsin

Wyoming

Guam

Summary by State, by congressional district, of the estimated effect of an 8- and 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961

State and Congressional district	Number of applicant districts where Federal Public Law 874 payments were 3 percent or more of total current expenditures	Fiscal year 1961 net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
			Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Alabama:						
1st.....	1	\$1,060,216	\$1,181,395	\$1,086,883	\$1,356,241	\$1,098,555
2d.....	3	683,913	752,400	692,208	863,755	699,641
3d.....	5	502,916	611,280	562,378	701,750	568,417
4th.....	4	408,599	418,115	384,666	479,996	388,797
5th.....	1	102,274	116,183	106,888	133,378	108,036
8th.....	9	1,278,947	1,506,271	1,385,769	1,729,199	1,400,651
Total (6 districts).....	23	4,036,865	4,585,644	4,218,792	5,264,319	4,264,097
Alaska: At large.....	22	7,489,191	6,081,173	5,594,679	6,981,185	5,654,760
Arizona:						
1st.....	9	357,220	397,491	365,692	456,320	369,619
2d.....	50	3,259,908	3,635,247	3,344,427	4,173,267	3,380,346
Total (2 districts).....	59	3,617,128	4,032,738	3,710,119	4,629,587	3,749,965
Arkansas:						
1st.....	2	128,445	180,980	166,502	207,765	168,290
2d.....	4	30,754	34,936	32,141	40,108	32,488
3d.....	1	11,645	19,694	18,118	22,609	18,313
5th.....	1	354,266	517,590	476,183	594,193	481,296
6th.....	1	75,047	75,150	69,138	86,272	69,880
Total (5 districts).....	9	600,157	828,350	762,082	950,947	770,267
California:						
1st.....	22	991,874	1,114,476	1,025,318	1,279,420	1,036,330
2d.....	22	361,621	432,795	398,171	496,849	402,448
3d.....	14	2,543,844	3,145,552	2,893,909	3,611,093	2,924,985
6th.....	16	1,919,827	2,236,083	2,057,196	2,567,020	2,079,286
8th.....	6	896,067	1,059,870	975,080	1,216,730	985,551
9th.....	1	24,853	26,196	24,100	30,073	24,359
11th.....	3	80,846	94,730	87,152	108,751	88,088
12th.....	5	376,135	457,750	421,130	525,498	425,653
13th.....	26	3,610,685	4,164,212	3,831,075	4,780,515	3,872,217
14th.....	7	1,049,850	1,230,608	1,132,159	1,412,738	1,144,318
21st.....	6	734,503	834,395	767,643	957,885	775,887
25th.....	1	54,857	62,318	57,333	71,541	57,948
27th.....	11	1,161,712	1,404,063	1,291,738	1,611,865	1,305,612
28th.....	18	1,663,147	2,060,931	1,896,057	2,365,947	1,916,417
29th.....	4	553,567	619,969	570,371	711,724	576,496
30th.....	8	4,568,564	5,167,715	4,754,298	5,932,538	4,805,356
Total (16 districts).....	170	20,591,952	24,111,663	22,182,730	27,680,187	22,420,951
Colorado:						
2d.....	7	796,344	900,277	828,255	1,033,518	837,150
3d.....	14	2,158,110	2,659,670	2,446,896	3,053,300	2,473,173
4th.....	6	160,917	193,820	178,314	222,504	180,228
Total (3 districts).....	27	3,115,371	3,753,767	3,453,465	4,309,322	3,490,551
Connecticut: 2d.....	12	1,343,112	1,525,777	1,403,714	1,751,589	1,418,787
Delaware: At large.....	4	204,088	205,559	189,114	235,982	191,145
Florida:						
2d.....	1	123,607	116,460	107,143	133,696	108,294
3d.....	5	1,793,825	1,992,097	1,832,729	2,286,927	1,852,410
4th.....	1	362,841	378,000	347,760	433,944	351,495
5th.....	1	1,219,494	1,186,290	1,091,387	1,361,861	1,103,107
Total (4 districts).....	8	3,499,767	3,672,847	3,379,019	4,216,428	3,415,306
Georgia:						
1st.....	1	152,386	173,110	159,261	198,730	160,971
2d.....	1	410,297	477,000	438,840	547,596	443,553
3d.....	6	1,343,517	1,575,016	1,449,014	1,808,117	1,464,575
6th.....	4	524,680	585,652	538,801	672,329	544,586
7th.....	2	619,563	697,697	641,881	800,956	648,774
8th.....	1	67,831	64,170	59,036	73,667	59,670
10th.....	2	501,195	633,373	582,703	727,112	588,961
Total (7 districts).....	17	3,619,469	4,206,018	3,869,536	4,828,507	3,911,090

Summary by State, by congressional district, of the estimated effect of an 8- and 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State and Congressional district	Number of applicant districts where Federal Public Law 874 payments were 3 percent or more of total current expenditures	Fiscal year 1961 net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
			Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Hawaii: At large.....	1	\$4, 456, 188	\$5, 062, 230	\$4, 657, 252	\$5, 811, 440	\$4, 707, 266
Idaho:						
1st.....	14	204, 691	202, 035	185, 872	231, 938	187, 870
2d.....	11	1, 027, 838	1, 188, 200	1, 093, 144	1, 364, 053	1, 104, 883
Total (2 districts).....	25	1, 232, 529	1, 390, 235	1, 279, 016	1, 595, 991	1, 292, 753
Illinois:						
13th.....	6	1, 052, 505	1, 189, 805	1, 094, 621	1, 365, 897	1, 106, 376
15th.....	4	171, 100	187, 374	172, 384	215, 105	174, 235
16th.....	3	50, 418	56, 291	51, 788	64, 622	52, 344
17th.....	3	65, 617	58, 579	53, 893	67, 248	54, 471
18th.....	1	3, 731	4, 238	3, 899	4, 865	3, 941
22d.....	4	737, 356	938, 613	863, 524	1, 077, 528	872, 797
23d.....	1	22, 230	26, 702	24, 566	30, 654	24, 830
24th.....	9	443, 691	484, 353	445, 605	556, 038	450, 391
Total (8 districts).....	31	2, 546, 648	2, 945, 955	2, 710, 280	3, 381, 957	2, 739, 385
Indiana:						
3d.....	1	13, 267	15, 071	13, 866	17, 302	14, 015
5th.....	1	364, 558	407, 187	374, 612	467, 451	378, 635
6th.....	2	26, 775	30, 416	27, 982	34, 917	28, 283
7th.....	2	92, 868	96, 074	88, 388	110, 292	89, 337
8th.....	6	14, 131	17, 088	15, 720	17, 948	14, 538
9th.....	1	5, 608	6, 365	5, 856	7, 307	5, 918
11th.....	1	89, 055	98, 010	90, 169	112, 515	91, 137
Total (7 districts).....	14	606, 257	670, 211	616, 593	767, 732	621, 863
Iowa:						
1st.....	4	74, 521	74, 994	68, 994	85, 893	69, 573
2d.....	1	7, 835	8, 901	8, 188	10, 218	8, 276
5th.....	1	76, 065	85, 908	79, 036	98, 622	79, 834
8th.....	1	55, 824	106, 539	98, 016	122, 307	99, 069
Total (4 districts).....	7	214, 245	276, 342	254, 234	317, 040	256, 802
Kansas:						
1st.....	31	1, 243, 558	1, 452, 342	1, 336, 154	1, 667, 292	1, 350, 507
2d.....	5	142, 005	115, 172	105, 958	132, 217	107, 097
3d.....	2	11, 650	10, 441	9, 606	11, 987	9, 709
4th.....	31	2, 230, 022	2, 605, 315	2, 396, 890	2, 990, 903	2, 422, 631
5th.....	7	56, 192	67, 346	61, 958	77, 314	62, 624
6th.....	5	393, 065	515, 700	474, 444	592, 024	479, 539
Total (6 districts).....	81	4, 076, 492	4, 766, 316	4, 385, 010	5, 471, 737	4, 432, 107
Kentucky:						
1st.....	3	109, 128	113, 090	104, 043	129, 827	105, 160
2d.....	1	8, 404	9, 090	8, 363	10, 435	8, 452
4th.....	4	317, 691	376, 189	346, 094	431, 865	349, 810
6th.....	1	6, 706	6, 300	5, 796	7, 232	5, 858
Total (4 districts).....	9	441, 929	504, 669	464, 296	579, 359	469, 280
Louisiana: 4th.....	1	379, 498	414, 207	381, 070	475, 510	385, 163
Maine:						
1st.....	9	554, 933	623, 716	573, 819	716, 026	579, 981
2d.....	3	12, 204	12, 240	11, 261	14, 051	11, 381
3d.....	13	983, 327	1, 127, 906	1, 037, 673	1, 294, 836	1, 048, 817
Total (3 districts).....	25	1, 550, 469	1, 763, 862	1, 622, 753	2, 024, 913	1, 640, 179

Summary by State, by congressional district, of the estimated effect of an 8- and 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State and Congressional district	Number of applicant districts where Federal Public Law 874 payments were 3 percent or more of total current expenditures	Fiscal year 1961 net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
			Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Maryland:						
1st.....	1	\$217,989	\$240,735	\$221,476	\$276,364	\$223,855
2d.....	1	680,521	762,964	701,927	875,883	709,465
5th.....	4	3,858,646	4,408,649	4,055,957	5,029,102	4,073,573
6th.....	1	2,453,290	2,822,685	2,596,870	3,203,006	2,594,435
Total (4 districts).....	7	7,210,446	8,235,033	7,576,230	9,384,355	7,601,328
Massachusetts:						
1st.....	4	341,210	387,616	356,607	444,982	360,436
2d.....	2	677,816	665,963	612,686	764,525	619,265
3d.....	1	18,400	19,676	18,102	22,588	18,296
5th.....	6	508,284	567,939	522,504	651,993	528,114
9th.....	9	807,789	872,623	802,813	1,001,772	811,435
Total (5 districts).....	22	2,353,499	2,513,817	2,312,712	2,885,860	2,337,546
Michigan:						
7th.....	1	61,758	52,533	48,330	60,308	48,849
10th.....	2	219,266	337,618	310,609	387,585	313,944
11th.....	8	260,949	387,100	356,132	444,391	359,957
12th.....	1	198,548	386,058	355,173	443,195	358,988
Total (4 districts).....	12	740,521	1,163,309	1,070,244	1,335,479	1,081,738
Minnesota:						
3d.....	1	21,302	22,044	20,280	25,307	20,499
6th.....	4	68,984	76,901	70,749	88,283	71,509
7th.....	1	7,565	6,677	6,143	7,665	6,208
8th.....	1	21,203	24,587	22,620	28,226	22,863
9th.....	7	170,019	186,801	171,857	214,448	173,703
Total (5 districts).....	14	289,073	317,010	291,649	363,929	294,782
Mississippi:						
1st.....	1	147,506	205,570	189,124	235,994	191,155
4th.....	1	62,398	71,460	65,743	82,036	66,449
6th.....	9	1,084,701	1,305,910	1,201,437	1,499,185	1,214,340
Total (3 districts).....	11	1,294,605	1,582,940	1,456,304	1,817,215	1,471,944
Missouri:						
4th.....	9	776,058	1,067,849	982,421	1,225,892	992,973
7th.....	5	53,169	70,288	64,665	80,690	65,359
8th.....	16	647,037	767,424	706,030	881,093	713,612
11th.....	5	21,179	25,248	23,228	28,985	23,478
Total (4 districts).....	35	1,502,443	1,930,809	1,776,344	2,216,570	1,795,422
Montana:						
1st.....	14	102,136	119,668	110,095	137,379	111,277
2d.....	39	1,366,641	1,681,284	1,546,781	1,930,115	1,563,393
Total (2 districts).....	53	1,468,777	1,800,952	1,656,876	2,067,494	1,674,670
Nebraska:						
1st.....	5	661,393	781,235	718,736	896,858	726,455
2d.....	5	875,897	948,754	872,854	1,089,170	882,228
3d.....	5	100,999	107,559	98,954	123,477	100,016
4th.....	4	115,308	130,679	120,225	150,020	121,516
Total (4 districts).....	19	1,753,597	1,968,227	1,810,769	2,259,525	1,830,215
Nevada: At large.....	4	823,286	933,410	858,736	1,071,554	867,959
New Hampshire: 1st.....	20	1,051,454	1,157,915	1,065,282	1,329,287	1,076,722

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State and Congressional district	Number of applicant districts where Federal Public Law 874 payments were 3 percent or more of total current expenditures	Fiscal year 1961 net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
			Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
New Jersey:						
1st.....	1	\$33,093	\$37,594	\$34,586	\$43,158	\$34,958
2d.....	4	61,524	79,586	73,219	91,365	74,006
3d.....	6	993,366	1,114,828	1,025,642	1,279,822	1,036,656
4th.....	12	1,213,060	2,079,776	1,913,394	2,387,584	1,933,943
5th.....	8	331,226	368,970	339,452	423,577	343,097
Total, (5 districts).....	41	2,632,269	3,680,754	3,386,293	4,225,506	3,422,660
New Mexico: At large.....	27	4,424,128	4,857,660	4,469,047	5,576,593	4,517,040
New York:						
1st.....	10	162,700	184,827	170,041	212,181	171,867
6th.....	1	20,559	23,355	21,487	26,812	21,718
28th.....	3	294,775	337,514	310,513	387,466	313,847
30th.....	1	7,206	6,983	6,424	8,016	6,493
31st.....	2	398,345	516,686	475,351	593,156	480,456
34th.....	1	637,719	703,581	647,295	807,711	654,246
36th.....	1	42,838	59,034	54,311	67,771	54,895
Total, (7 districts).....	19	1,564,142	1,831,980	1,685,422	2,103,113	1,703,522
North Carolina:						
1st.....	3	93,300	103,677	95,383	119,021	96,407
3d.....	6	1,156,947	1,340,640	1,233,389	1,539,055	1,246,635
7th.....	2	660,398	808,200	743,544	927,814	751,529
8th.....	1	12,139	13,790	12,687	15,831	12,823
12th.....	2	42,957	50,560	46,515	58,043	47,015
Total (5 districts).....	14	1,965,741	2,316,867	2,131,518	2,659,764	2,154,409
North Dakota: At large.....	17	552,928	880,369	809,939	1,010,664	818,638
Ohio:						
3d.....	2	260,602	433,022	398,380	497,110	402,659
5th.....	3	94,178	100,027	92,025	114,831	93,013
6th.....	3	103,738	115,639	106,388	132,754	107,531
7th.....	7	774,802	819,134	753,603	940,366	761,696
11th.....	1	42,600	49,474	45,516	56,796	46,005
12th.....	5	423,371	478,460	440,183	549,272	444,910
17th.....	2	31,001	45,627	41,977	52,380	42,428
Total (7 districts).....	23	1,730,292	2,041,383	1,878,072	2,343,509	1,898,242
Oklahoma:						
1st.....	13	298,732	280,327	257,901	321,814	260,669
2d.....	54	419,556	439,746	404,566	504,830	408,912
3d.....	16	83,094	94,026	86,504	107,941	87,432
4th.....	39	257,960	276,999	254,839	317,993	257,574
5th.....	27	2,464,313	2,827,559	2,601,382	3,246,070	2,629,317
6th.....	53	2,306,766	2,309,219	2,124,481	2,650,990	2,147,302
Total (6 districts).....	202	5,830,421	6,227,906	5,729,673	7,149,638	5,791,206
Oregon:						
1st.....	9	175,495	146,084	134,398	167,703	135,839
2d.....	9	183,295	184,496	169,736	211,800	171,558
3d.....	1	20,754	24,272	22,330	27,864	22,570
4th.....	8	162,118	162,010	149,049	185,988	150,650
Total (4 districts).....	27	541,662	516,862	475,513	593,355	480,617
Pennsylvania:						
8th.....	2	155,210	176,319	162,213	202,415	163,956
9th.....	1	60,091	59,400	54,648	68,191	55,235
15th.....	2	24,796	28,168	25,915	32,337	26,193
16th.....	4	172,808	195,681	180,027	224,643	181,961
18th.....	11	228,233	248,936	229,021	285,779	231,481
19th.....	4	220,182	246,909	227,156	283,451	229,595
Total (6 districts).....	24	861,320	955,413	878,980	1,096,816	888,421

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			Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Rhode Island:						
1st.....	4	\$921, 297	\$1, 054, 825	\$970, 439	\$1, 209, 987	\$980, 089
2d.....	4	516, 783	560, 067	515, 262	641, 919	519, 954
Total (2 districts).....	8	1, 438, 080	1, 614, 892	1, 485, 701	1, 851, 906	1, 500, 043
South Carolina:						
1st.....	10	1, 628, 791	1, 803, 505	1, 659, 225	2, 070, 424	1, 677, 043
2d.....	8	913, 870	1, 072, 799	986, 975	1, 231, 642	997, 630
3d.....	1	26, 932	35, 086	32, 279	40, 279	32, 626
Total (3 districts).....	19	2, 569, 593	2, 911, 390	2, 678, 479	3, 342, 345	2, 707, 299
South Dakota:						
1st.....	14	255, 853	324, 874	298, 884	372, 956	302, 094
2d.....	40	1, 745, 053	2, 368, 377	2, 178, 907	2, 718, 900	2, 202, 309
Total (2 districts).....	54	2, 000, 906	2, 693, 251	2, 477, 791	3, 091, 856	2, 504, 403
Tennessee:						
1st.....	1	8, 671	9, 850	9, 062	11, 308	9, 159
2d.....	6	460, 360	510, 989	470, 110	586, 615	475, 158
4th.....	4	380, 638	423, 149	389, 297	485, 775	393, 478
6th.....	2	169, 366	194, 130	178, 600	222, 861	180, 517
Total (4 districts).....	13	1, 019, 035	1, 138, 118	1, 047, 069	1, 306, 559	1, 058, 312
Texas:						
1st.....	19	309, 866	364, 758	335, 577	418, 740	339, 179
4th.....	2	96, 156	110, 045	101, 241	126, 331	102, 328
5th.....	1	17, 063	19, 384	17, 833	22, 253	18, 025
6th.....	2	29, 628	30, 692	28, 237	35, 235	28, 540
10th.....	3	91, 940	114, 075	104, 949	130, 959	106, 077
11th.....	10	1, 007, 805	1, 219, 409	1, 121, 856	1, 399, 882	1, 133, 904
12th.....	14	832, 648	948, 471	872, 593	1, 088, 844	881, 964
13th.....	3	217, 701	266, 130	244, 840	305, 517	247, 469
14th.....	7	369, 548	411, 123	378, 233	471, 967	382, 293
15th.....	4	286, 774	253, 710	233, 413	291, 260	235, 921
16th.....	7	1, 725, 180	2, 043, 569	1, 880, 083	2, 346, 018	1, 900, 275
17th.....	11	526, 335	670, 435	616, 800	769, 660	623, 425
18th.....	3	152, 627	212, 415	195, 422	243, 852	197, 520
19th.....	2	229, 556	263, 981	242, 863	303, 050	245, 471
20th.....	13	3, 279, 626	3, 813, 543	3, 508, 460	4, 377, 948	3, 546, 138
21st.....	5	187, 192	231, 892	213, 341	266, 211	215, 631
Total (16 districts).....	106	9, 359, 645	10, 973, 632	10, 095, 741	12, 597, 727	10, 204, 160
Utah:						
1st.....	6	902, 220	1, 127, 676	1, 037, 462	1, 294, 572	1, 048, 603
2d.....	2	917, 936	1, 045, 080	961, 474	1, 199, 752	971, 799
Total (2 districts).....	8	1, 820, 156	2, 172, 756	1, 998, 936	2, 494, 324	2, 020, 402
Virginia:						
1st.....	7	2, 411, 342	2, 761, 224	2, 540, 326	3, 169, 884	2, 567, 606
2d.....	4	4, 266, 737	5, 048, 135	4, 644, 284	5, 795, 258	4, 694, 159
3d.....	1	32, 290	36, 647	33, 715	42, 071	34, 077
4th.....	2	315, 554	384, 390	353, 639	441, 280	357, 437
6th.....	2	107, 901	137, 607	126, 598	157, 973	127, 958
8th.....	3	448, 062	581, 088	534, 601	667, 089	540, 342
9th.....	2	82, 262	111, 060	102, 175	127, 497	103, 273
10th.....	4	5, 934, 690	6, 511, 729	5, 990, 791	7, 394, 828	5, 989, 811
Total (8 districts).....	25	13, 598, 808	15, 571, 880	14, 326, 129	17, 795, 880	14, 414, 663

Summary by State, by congressional district, of the estimated effect of an 8- and 19-percent reduction in Public Law 874 entitlements, fiscal years 1962 and 1963, respectively, in districts where Federal (Public Law 874) payments were 5 percent or more of total current expenditures in fiscal year 1961—Continued

State and Congressional district	Number of applicant districts where Federal Public Law 874 payments were 3 percent or more of total current expenditures	Fiscal year 1961 net entitlement under Public Law 874	Fiscal year 1962 (estimated)		Fiscal year 1963 (estimated)	
			Net entitlement under Public Law 874	Effect of 8-percent reduction	Net entitlement under Public Law 874	Effect of 19-percent reduction
Vermont: At large.....	1	\$5,286	\$6,005	\$5,525	\$6,894	\$5,584
Washington:						
2d.....	10	415,068	517,588	476,181	594,191	481,295
3d.....	9	117,954	136,275	125,373	156,443	126,719
4th.....	19	1,061,300	1,340,916	1,233,643	1,539,373	1,246,892
5th.....	11	513,468	556,774	512,232	639,177	517,733
6th.....	11	2,306,079	2,612,887	2,403,856	2,999,594	2,429,671
Total (5 districts).....	60	4,413,869	5,164,440	4,751,285	5,928,778	4,802,310
Wisconsin:						
3d.....	5	91,316	105,048	96,644	120,595	97,682
7th.....	3	117,777	167,028	153,666	191,748	155,316
8th.....	3	29,871	29,793	27,410	34,203	27,705
10th.....	4	104,428	99,687	91,712	114,440	92,696
Total (4 districts).....	15	343,392	401,556	369,432	460,986	373,399
Wyoming: At large.....	7	640,326	645,136	593,525	740,615	599,898
Guam.....	1	721,473	818,432	752,957	939,560	761,044

Mr. FOGARTY. Dr. Grigsby, in some of these areas where it amounts to 75 percent of the school budget, or more, it could conceivably have the effect of cutting down on the school year, could it not?

Mr. GRIGSBY. Conceivably, yes.

Mr. FOGARTY. We would be denying those kids a proper education; is that right?

Mr. GRIGSBY. That is right.

ADEQUACY OF 1963 BUDGET

Mr. FOGARTY. How much are you short in 1963 under existing law?

Mr. GRIGSBY. I have a table which indicates we would be short some \$50,029,000 in meeting the full requirement in 1963.

Mr. FOGARTY. That is not your recommendation, is it? What is your recommendation?

Mr. KELLY. The Office of Education requested of the Department the amount required for the full entitlement.

Mr. FOGARTY. Who cut it?

Mr. KELLY. The Department recommended the amount we are in for, in the budget.

BASIS FOR 1963 BUDGET

Mr. FOGARTY. This is a budget geared to the proposed legislation turned down by the legislative committee last year?

Mr. KELLY. No; actually it is about \$50 million higher than would be the cost of the proposed legislation. If the legislation recommended by the President were enacted, \$50 million of this budget would not be required.

Mr. FOGARTY. Then it must just be geared to look good in the comparable tables for 1962 and 1963. What is it geared to?

Mr. KELLY. It represents the same amount of money in 1963 for payments to school districts, exclusive of those costs associated with education of children on Federal property. It represents the exact same amount of money as the Congress made available in 1962.

Mr. FOGARTY. You did not have in the back of your head that you did not want to show a minus sign?

Mr. KELLY. There was a lot of discussion about what the recommendation should be.

Mr. FOGARTY. All right. I think I understand how this was arrived at.

ASSISTANCE FOR SCHOOL CONSTRUCTION

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
OFFICE OF EDUCATION			
41 Grants, subsidies, and contributions.....	39,187	70,083	46,193
ALLOCATION TO HOUSING AND HOME FINANCE AGENCY			
11 Personnel compensation: Positions other than permanent.....	53	60	60
12 Personnel benefits.....	4	4	4
21 Travel and transportation of persons.....	8	11	11
23 Rent, communications, and utilities.....	1		
25 Other services.....	923	900	800
32 Lands and structures.....	13,037	23,251	7,977
Total, Housing and Home Finance Agency.....	14,026	24,226	8,852
Total costs.....	53,213	94,309	55,045
Change in selected resources.....	1,770		
Total obligations.....	54,983	94,309	55,045

Personnel summary

	1961 actual	1962 estimate	1963 estimate
ALLOCATION TO HOUSING AND HOME FINANCE AGENCY			
Average number of all employees.....	6	7	7
Number of employees at end of year.....	0	0	0

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Assistance to local educational agencies.....	39,187	70,016	46,193
2. Assistance for school construction on Federal properties:			
(a) Under title II, Public Law 815.....	8	68	-----
(b) Under title III, Public Law 815.....	13,095	23,325	8,052
3. Payments for technical services.....	923	900	800
Total program costs.....	53,213	94,309	55,045
Change in selected resources ¹	1,770	-----	-----
Total obligations.....	54,983	94,309	55,045
Financing:			
Unobligated balance brought forward.....	-31,050	-39,459	-----
Unobligated balance carried forward.....	39,459	-----	-----
New obligational authority (appropriation).....	63,392	54,850	55,045

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$7,023,000; 1961, \$8,793,000; 1962, \$8,793,000; 1963, \$8,793,000.

Mr. FOGARTY. The appropriation for 1962 for assistance for school construction is \$54,850,000 and the request for 1963 is \$55,045,000. We will place your statement in the record at this point.

(The statement of Dr. McMurrin follows:)

STATEMENT BY COMMISSIONER OF EDUCATION ON ASSISTANCE FOR SCHOOL CONSTRUCTION. OFFICE OF EDUCATION

The program of financial assistance for construction of schools in federally affected areas under the terms of Public Law 87-344, amending and extending Public Law 815, authorizes in fiscal year 1963 assistance to local educational agencies for increases in membership of (1) children who reside on Federal property with a parent employed on Federal property; (2) children who reside on Federal property or reside with a parent employed on Federal property, but not both; and (3) children whose parents are engaged in Federal activities carried on directly or through a contractor. In addition, construction aid is available to those schools which provide or would provide (were necessary facilities available) free public education for a substantial number of children residing on Federal property (mostly Indian reservations) when such school districts are unable, with resources available to them, to provide necessary school facilities.

The act also provides for the construction of schools on Federal property for children living on Federal property when no State or local funds may be expended for the free public education of such children or no local educational agency is able to provide suitable free public education for such children.

STATEMENT BY DEPUTY COMMISSIONER OF COMMUNITY FACILITIES ADMINISTRATION, HOUSING AND HOME FINANCE AGENCY, ON ASSISTANCE FOR SCHOOL CONSTRUCTION (TECHNICAL), OFFICE OF EDUCATION

Technical services in connection with the school construction program have been provided by the Community Facilities Administration of the Housing and Home Finance Agency since Public Law 815 was enacted more than a decade ago. The services provided include architectural, engineering, financial and legal functions both in preliminary stages and during construction.

Our primary purpose in performing these services has been to provide a maximum of school facilities per Federal dollar expended without sacrificing architectural, structural, and safety standards and to insure that the intent of the Congress as set forth in the statute is carried out. The fact that we have met this objective is, I believe, amply attested to by the more than 4,000 schools which have already been constructed under the program.

The budget estimate for technical services in fiscal year 1963 is \$800,000—a reduction of \$100,000 from the amount available in the current year.

The level of technical services activity is governed by two budget assumptions: first, the number of fund reservations assigned to this agency by the Office of Education and second, the rate of progress of construction activity for projects already in the pipeline. As you know, program estimates show a moderate decline from the levels of previous years. This will be reflected primarily in the preconstruction workload of HHFA during the budget year, although there will also be a small decrease in construction activity.

The budget request represents a reasonable amount necessary to do an effective job while being responsive to the anticipated decline in workload.

I will be happy to try and answer any questions the committee may have at this time.

BASIS FOR BUDGET ESTIMATE

Mr. FOGARTY. Is the budget for this item geared to the proposed legislation, or just to show a little increase in the budget tables? Do you want to answer that, Mr. Kelly? This all happened in your shop.

Mr. KELLY. Yes, sir. The same basic philosophy that was involved in Public Law 874 is involved here.

Mr. FOGARTY. I do not think we will waste much more time with these items because you are having an awfully difficult time justifying the action taken. I hope Congress does not pay any attention to what you have suggested. We will rectify this mistake in judgment, whatever the underlying basis for it was.

Mr. Denton?

VOCATIONAL EDUCATIONAL ADVISORY COMMITTEE

Mr. DENTON. Regarding vocational education, did this committee that you have appointed consider the question of whether the ceiling on this appropriation should be increased?

Mr. McMURRIN. May I say, Mr. Denton, that the committee has only actually met once. It has a staff that is at work now gathering extensive information on the basis of which it will continue its investigations early in March. There has not been a chance for the committee to take any kind of position on the problem.

Mr. DENTON. What is it for?

Mr. McMURRIN. The purpose of the committee certainly relates to the question, but it has not been in operation long enough to come up with any conclusions. It will consider problems of this kind.

Mr. DENTON. We increased this appropriation to the maximum and that was set about 1955?

Mr. HUGHES. That is right.

Mr. DENTON. There has been a tremendous increase in school population since that time which means that we are appropriating less money per student for this purpose than we did before.

Mr. McMURRIN. This is exactly the kind of problem the committee is facing. My only point is that it has not been in session long enough to come up with conclusions or recommendations.

Mr. ARNOLD. I might add, Mr. Commissioner and Mr. Denton, the committee is structuring a series of studies across various areas of vocational education, including the so-called unmet needs, so that it would be safe to presume that when they conclude their work they would have taken into account the items you have questioned.

Mr. FOGARTY. May I say there, Dr. McMurrin, I was in town the day this committee first met and I had a chance to meet most of them. I think you have selected an outstanding committee.

Mr. McMURRIN. Thank you, sir.

Mr. FOGARTY. This is something that was needed. I know in my own State where we have quite a bit of unemployment, the Governor has recommended additional vocational schools.

TRAINING UNDER AREA REDEVELOPMENT PROGRAM

Mr. DENTON. Is vocational education doing the training for the Area Redevelopment Act programs?

Mr. ARNOLD. Yes, sir; under section 16 of the act, the Office of Education and the Division are cooperating with the Department of Labor.

Mr. DENTON. Do they pay for that?

Mr. ARNOLD. There is a portion of the money appropriated under section 16 to assist us in administering the act.

Mr. DENTON. What I am trying to get at is, does any money we appropriate for vocational education go for training under the Area Redevelopment Act?

Mr. KELLY. No, sir. The funds that are used for the training under that act come from the appropriations to the Department of Labor.

Mr. DENTON. It seems to me that that program has too short a course of instruction—16 weeks.

Mr. ARNOLD. Actually, that does not necessarily limit the amount of instruction. That is the extent of the subsistence.

Mr. DENTON. That is about as far as it goes?

Mr. ARNOLD. There are some training programs that go beyond that, but not to any great length.

Mr. DENTON. I noticed that when they were here, they talked about training toolmakers in my community, which are badly needed. They brought up the question that it was too short a time. It seems to me that there is a serious need to have a training course longer than 16 weeks.

Mr. ARNOLD. The subsistence is limited to 16 weeks and we have been trying in our work with the Department of Labor not to gear the number of weeks of training solely to subsistence but the nature of the act is such—

Mr. DENTON. We had a seminar out in Indiana last week and I think a representative of your Department and the Labor Department said that they limited the program to 16 weeks because that was as long as they got subsistence unless they could get an agreement before they started on the program that they would continue after the expiration of 16 weeks. They said the latter program was not too satisfactory.

Mr. ARNOLD. The training time of each course in each project is determined by the requirements of the job. This may vary anywhere from 4 weeks up to 26 weeks.

Mr. DENTON. You are not going to train a toolmaker in 16 weeks?

Mr. ARNOLD. I did not mean to suggest that. In fact, the act is not geared at all to train for the skilled trades. It is really an occupational training program and would provide only sufficient skill for a

person to make a first entrance into an occupation. It is a fact that they are not limited to 16 weeks. They need not be limited to that.

PARTICIPATION IN THE MANPOWER TRAINING BILL

Mr. DENTON. The bill we have on the floor will give them a year's training, will it not?

Mr. ARNOLD. It could give them more than a year's training, but here again the subsistence benefit is limited to 52 weeks.

Mr. DENTON. Will you carry out that program, too?

Mr. ARNOLD. Yes; in both the House and Senate bills, there are provisions for an appropriation for the Department. The Department will be authorized to set up its regulations and work with the States.

Mr. DENTON. Do you have to get a supplemental appropriation from Congress?

Mr. ARNOLD. Yes, if the training were to be implemented in this fiscal year.

Mr. DENTON. It becomes a law and then you have to ask for a supplemental appropriation?

Mr. KELLY. Yes, sir.

LIBRARY SERVICES PROGRAM IN INDIANA

Mr. DENTON. Let us go back to the library services. I wanted to comment on the fact that Indiana is now participating in that program. We were the only holdout for a long time, but as they say, we "joined the union."

I think that is all.

Mr. FOGARTY. Mr. Marshall?

FISHERY TRADES AND INDUSTRY PROGRAM

Mr. MARSHALL. Last year during the hearings we asked you some questions concerning the fishery trades and industry. We made comment at that time that the State of Iowa was receiving \$1,188 in the distribution of those funds and this year we note that there is not anything for the State of Iowa. Did that program prove to be unsuccessful? Is that the reason it was dropped?

Mr. ARNOLD. I do not happen to be familiar with that specific program.

Mr. MARSHALL. Would you mind looking it up?

Mr. ARNOLD. I will be glad to and furnish it for the record.

Mr. PATEROS. If I may point out, sir, under the act, there is an allotment formula to distribute the total of \$180,000 to each of the States. Iowa received an allotment of \$1,188, I believe, for 1962, again, but it consistently has released those funds. Under the act, a State which cannot use funds under one of these programs will certify to the Commissioner that it does not desire them and the Commissioner reallots it to those States which can use more than their allotment.

Mr. MARSHALL. Actually, you did not have any program in Iowa at all last year?

Mr. PATEROS. That is correct.

Mr. MARSHALL. In this fiscal year you have \$180,000 and you are only spending about three-quarters of it, is that correct?

Mr. PATEROS. That is correct. It runs about \$130,000 or \$135,000 a year, roughly.

Mr. MARSHALL. Where in these justifications, if anyplace, do you show that there will be a need for the whole \$180,000 this year?

Mr. ARNOLD. I might say, in general, Mr. Marshall, that action is being taken now to stimulate greater use of the funds in terms of additional programs. In fact, this week we will be meeting with representatives of the Interior Department and seafood merchandisers with a view toward developing a guide for greater merchandising and marketing of seafoods. This should stimulate considerably more training programs in the distributive occupations for the fishing industry.

In the Midwest, for example, they can participate in developing training programs in the service occupations for greater merchandising of seafoods, so we are looking forward to stimulating greater participation in this program by the States.

ALLOCATION OF FISHERY TRADE FUNDS

Mr. MARSHALL. It is interesting to note that this year you are spending only \$132,752 and \$49,934 of that goes to one State. How does one State happen to get such a large proportion of that total?

Mr. ARNOLD. Well, the reallocation provision provides for that and in this case it would be a matter of a State having a greater need in developing a program as against other States not needing the funds.

Mr. PATEROS. One of the primary reasons for the reallocation authority in the basic legislation is to permit, in a program of this sort, a State which has an unusual need and is willing to put on the kind of a program that it needs to use up money which other States are not able to use or have no need for.

Mr. MARSHALL. If all of the States used their proportionate share, would this be materially reduced?

Mr. PATEROS. That is right. If all of the States came in and claimed their allowable allotment, then they would be forced to live within the allotment that the law provides for them under the formula, but in 1961 there were only 14 States which claimed allotments under the fishery portion of the act, whereas all of them were entitled to some portion of the \$180,000 appropriated.

PUBLIC LAWS 815 AND 874 FUNDS ALLOCATED TO WASHINGTON AREA

Mr. MARSHALL. In last year's hearing, I asked if you would break down the money under Public Law 874 and Public Law 815 going to the area around the city of Washington.

That was put in last year's hearings on page 430 and I would like for that table to be brought up to date this year and placed in the record at this point.

Mr. KELLY. Do you want that on the basis of the budget estimate before you, or on the basis of what they would be entitled to under the basic act?

Mr. HUGHES. We could show both amounts.

Mr. MARSHALL. I want it on the same basis as last year so that it would be comparable.

Mr. KELLY. Yes, sir.

(The requested information follows:)

Actual and estimated entitlements under Public Law 874 of school districts in the Washington, D.C., metropolitan area, fiscal years 1961, 1962, and 1963 (as of Feb. 21, 1962)

School district	Fiscal year 1961 actual	Fiscal year 1962 estimated ¹	Fiscal year 1963 estimated ²
Montgomery County, Md.....	\$2, 453, 290	\$2, 596, 870	\$2, 594, 435
Prince Georges County, Md.....	2, 276, 300	2, 411, 850	2, 411, 810
Alexandria City, Va.....	651, 220	650, 495	649, 580
Arlington County, Va.....	1, 531, 835	1, 562, 615	1, 563, 235
Fairfax County, Va.....	3, 635, 914	3, 678, 150	3, 677, 590
Falls Church City, Va.....	115, 221	99, 530	99, 405
Fairfax City, Va.....		189, 508	189, 201

¹ Estimates; 92 percent of full entitlement.

² Estimates; 81 percent of full entitlement.

Summary of construction aid under Public Law 815 of school districts in the Washington, D.C., metropolitan area, fiscal years 1961, 1962, and 1963 (as of Feb. 21, 1962)

School district	Fiscal year 1961 actual	Fiscal year 1962 esti- mated ¹	Fiscal year 1963 esti- mated ¹
Montgomery County, Md.....		\$545, 928	\$1, 000, 000
Prince Georges County, Md.....			2, 000, 000
Alexandria City, Va.....			
Arlington County, Va.....			
Fairfax County, Va.....		900, 000	1, 545, 970
Falls Church City, Va.....			
Fairfax City, Va.....		248, 480	

¹ Estimates based upon data submitted by applicant adjusted by a reduction factor: application not processed by Office of Education as of Feb. 21, 1962.

PAYMENT TO SCHOOL DISTRICTS BY STATES

Mr. MARSHALL. I would also like to have placed in the record at this point, if I could, Mr. Chairman, a table similar to the one on pages 55 and 56 of the justifications.

Mr. FOGARTY. Yes, sir.

(The requested information follows:)

Summary of payments to school districts by State—Public Law 874, as amended—for fiscal years 1961, 1962, and 1963 (estimated)

State or possession	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963
Total.....	\$217, 300, 000	\$231, 293, 000	\$232, 293, 000
Alabama.....	4, 686, 680	4, 968, 700	4, 968, 700
Alaska.....	7, 032, 000	7, 444, 800	7, 444, 800
Arizona.....	4, 725, 504	5, 002, 900	5, 002, 900
Arkansas.....	985, 652	1, 043, 500	1, 043, 500
California.....	37, 423, 832	39, 531, 800	39, 531, 800
Colorado.....	5, 769, 756	6, 108, 500	6, 108, 500
Connecticut.....	1, 893, 952	2, 005, 200	2, 005, 200
Delaware.....	830, 260	934, 300	944, 300
Florida.....	6, 708, 552	7, 189, 800	7, 219, 800
Georgia.....	6, 811, 224	7, 326, 000	7, 376, 000
Hawaii.....	4, 580, 176	4, 849, 100	4, 849, 100
Idaho.....	1, 556, 416	1, 647, 800	1, 647, 800
Illinois.....	3, 373, 028	3, 573, 100	3, 575, 100
Indiana.....	948, 148	1, 003, 800	1, 003, 800
Iowa.....	740, 704	784, 200	784, 200
Kansas.....	4, 943, 496	5, 233, 700	5, 233, 700
Kentucky.....	3, 976, 500	4, 451, 800	5, 001, 800
Louisiana.....	936, 428	991, 400	991, 400
Maine.....	1, 697, 884	1, 797, 900	1, 798, 400
Maryland.....	8, 459, 496	8, 957, 000	8, 957, 000
Massachusetts.....	6, 168, 440	6, 553, 800	6, 638, 800
Michigan.....	1, 338, 476	1, 437, 600	1, 461, 600
Minnesota.....	439, 500	561, 100	561, 100
Mississippi.....	1, 522, 428	1, 611, 900	1, 611, 900
Missouri.....	2, 419, 008	2, 561, 100	2, 561, 100
Montana.....	1, 596, 264	1, 690, 800	1, 690, 000
Nebraska.....	1, 936, 144	2, 049, 800	2, 049, 800
Nevada.....	1, 429, 840	1, 513, 800	1, 513, 800
New Hampshire.....	1, 227, 084	1, 299, 200	1, 299, 200
New Jersey.....	3, 852, 780	4, 084, 700	4, 090, 200
New Mexico.....	4, 723, 160	5, 000, 500	5, 000, 500
New York.....	5, 342, 324	5, 694, 400	5, 712, 400
North Carolina.....	4, 779, 276	5, 285, 500	5, 335, 500
North Dakota.....	384, 416	407, 000	407, 000
Ohio.....	5, 036, 084	5, 331, 700	5, 331, 700
Oklahoma.....	7, 494, 940	7, 934, 900	7, 934, 900
Oregon.....	941, 740	997, 500	997, 500
Pennsylvania.....	5, 055, 900	5, 376, 300	5, 386, 300
Rhode Island.....	1, 813, 084	1, 919, 600	1, 919, 600
South Carolina.....	3, 500, 316	3, 717, 100	3, 722, 100
South Dakota.....	1, 969, 288	2, 085, 300	2, 085, 300
Tennessee.....	2, 186, 952	2, 315, 400	2, 315, 400
Texas.....	12, 565, 012	13, 303, 600	13, 303, 600
Utah.....	1, 869, 340	1, 979, 100	1, 979, 100
Vermont.....	105, 480	111, 700	111, 700
Virginia.....	17, 111, 092	18, 313, 900	18, 358, 900
Washington.....	8, 332, 920	8, 823, 000	8, 823, 000
West Virginia.....	128, 900	136, 500	136, 500
Wisconsin.....	614, 128	650, 200	650, 200
Wyoming.....	748, 908	792, 900	792, 900
Guam.....	772, 348	817, 700	817, 700
Puerto Rico.....	1, 670, 000	1, 930, 000	2, 030, 000
Virgin Islands.....	52, 740	55, 900	55, 900
Wake Island.....	92, 000	105, 000	120, 000

MINNESOTA'S CONTRIBUTION AND RETURN OF FEDERAL FUNDS UNDER
PUBLIC LAW 874

Mr. MARSHALL. Mr. Chairman, I think at this point it would be well for me to point out the great generosity of the taxpayers of the State of Minnesota. I did a little figuring here and for payments to school districts, the taxpayers in Minnesota contribute \$3,809,000, approximately, and we get back in return \$561,000. I notice the chart shows the amount of money going to the area surrounding Washington and I further note in the justifications that the State of California gets \$39,531,000 of this estimated amount of money available in fiscal year 1963.

PER CAPITA INCOME OF AREAS RECEIVING LARGE ALLOCATIONS OF
PUBLIC LAW 874 FUNDS

I would like for you to place in the record at this point the per capita income of the people in California, the per capita income of the people in Minnesota, and the estimate of the per capita income in the area surrounding Washington? Would you do that for me?

Mr. McMURRIN. Yes, sir.

You are referring to the counties that immediately impinge upon the District?

Mr. MARSHALL. That is right.

My good friend, Mr. Denton, suggests that I might ask for that same information for the State of Virginia. You would not have any difficulty on a State basis, in getting the per capita income.

If you have any way of estimating the per capita income in this area immediately surrounding Washington, I would like that, too.

Mr. McMURRIN. Yes, sir.

Mr. MARSHALL. That is all, Mr. Chairman.

(The information supplied follows:)

Per capita income data by State are available for the year 1960 from the Office of Business Economics, U.S. Department of Commerce. Per capita income in California was \$2,741; in Minnesota, \$2,054; and in Virginia, \$1,848.

Per capita income data by city and by county are available for the year 1959 from the Bureau of the Census, U.S. Department of Commerce. These data are not strictly comparable with those from the Office of Business Economics, and direct comparisons should therefore be avoided. The Bureau of the Census figures for 1959 are as follows: Montgomery County, Md., \$2,949; Prince Georges County, Md., \$2,151; Arlington County, Va., \$3,056; Fairfax County, Va., \$2,390; and Alexandria, Va., \$2,500.

DEFENSE EDUCATIONAL ACTIVITIES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
25 Other services.....	18,405	19,540	20,812
33 Investments and loans.....	107,261	76,015	92,470
41 Grants, subsidies, and contributions.....	83,691	96,162	111,815
Total costs.....	209,357	191,717	225,097
Change in selected resources.....	-318	906	716
Total obligations.....	209,039	192,623	225,813

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Student loans:			
(a) Contributions to loan funds.....	105,553	73,845	90,000
(b) Loans to educational institutions.....	1,057	1,270	1,270
(c) Cancellation of student loans.....	31	30	30
2. Science, mathematics, and foreign language instruction:			
(a) Acquisition of equipment and minor remodeling:			
(1) Grants to States.....	29,945	36,000	50,000
(2) Loans to nonprofit private schools.....	651	900	1,200
(b) Grants to States for supervision and administration.....	2,414	2,841	2,962
3. National defense fellowships.....	19,868	21,371	21,200
4. Guidance, counseling, and testing:			
(a) Grants to States.....	14,979	14,949	14,951
(b) Institutes for counseling personnel.....	5,905	6,733	7,145
5. Advanced training in foreign areas and languages:			
(a) Training centers.....	4,372	5,672	5,602
(b) Institutes for language teachers.....	6,120	6,853	7,250
(c) Research.....	3,722	2,373	1,988
6. Educational media research.....	4,440	4,530	4,799
7. Grants to States for area vocational programs.....	9,000	12,800	15,000
8. Grants to States for statistical services.....	1,300	1,550	1,700
Total program costs.....	209,357	191,717	215,097
Change in selected resources ¹	-318	906	716
Total obligations.....	209,039	192,623	225,813
Financing:			
Unobligated balance brought forward.....	-22,194	-36,983	-37,520
Appropriation available from subsequent year.....	-48,666	-48,666	-48,666
Appropriation available in prior year.....		48,666	48,666
Unobligated balance carried forward.....	36,983	37,520	32,520
Unobligated balance lapsing.....	12,318	18,467	8,637
New obligational authority (appropriation).....	187,480	211,627	229,450

¹ Selected resources as of June 30 as follows: Unpaid undelivered orders, 1960, \$10,387,000 (1961 adjustments, -\$168,000); 1961, \$9,901,000; 1962, \$10,808,000; 1963, \$11,524,000.

Mr. FOGARTY. We will next take up Defense Education activities. Doctor, do you have any additional comments you want to make before we start our questioning?

GENERAL STATEMENT

Mr. McMURRIN. I do have a statement that I would like to file.

Mr. FOGARTY. We will put that in the record.

Mr. McMURRIN. All right, sir. And I will read a brief statement, if I may.

Mr. FOGARTY. That will be fine.

(The statement for the record follows:)

STATEMENT BY COMMISSIONER OF EDUCATION ON DEFENSE EDUCATIONAL ACTIVITIES, OFFICE OF EDUCATION

The National Defense Education Act is based on the firm belief that it is essential to the national interest that every young person should have the opportunity to develop his gifts to the fullest extent—that in this way the Nation can be assured of enough trained manpower of sufficient quantity and quality to meet national defense needs.

During the first 4 years of operation, the various programs authorized to alleviate critical weaknesses in our educational program have made substantial progress toward meeting their goals.

Public Law 87-344, extended the National Defense Education Act for a 2-year period through fiscal year 1964.

The 1963 budget estimate is \$229,450,000, representing a net increase of \$1,668,000 over the total 1962 estimated appropriation of \$227,782,000, which includes a proposed supplemental of \$16,155,000 for student loans.

Under the student loan program, it is estimated that 200,000 students will receive loans in the 1962-63 academic year. States are moving forward rapidly in the improvement of instruction in science, mathematics, and foreign languages; in addition, enlarged supervisory staffs are being developed and maintained. The graduate fellowship program is operating at full strength to help meet the critical need for more college teachers. An estimated 4,088 fellows will receive support in 1963. With the help of the guidance and counseling program the counselor pupil ratio has been significantly improved and about 78 percent of public secondary school students are being tested at least once a year. During 1963, 2,310 participants will receive specialized training at institutes for counseling personnel.

Instruction in 55 languages, which have been defined as critical and needing special attention, has been supported through training centers and fellowships for advanced training in foreign areas and languages. The language institutes will provide training for over 4,200 language teachers.

The educational media research program is stimulating the exploration and development of all types of communication media as aids to teaching.

The area vocational program is making possible specialized training for highly skilled technicians.

Significant advances are being realized in the improvement of statistical reporting, without which the progress of educational programs cannot be evaluated properly.

The budget estimate of \$229,450,000 is distributed as follows:

STUDENT LOANS (TITLE II), \$91,300,000

The student loan program authorized under title II of the National Defense Education Act provides for the establishment, at American colleges and universities, of loan funds from which needy students may borrow to continue their higher education. Participating institutions are required to contribute a sum equal to one-ninth of the amount contributed by the Federal Government. In the event an institution is unable to acquire funds for its contribution, it may under certain conditions borrow from the Federal Government to provide for this non-Federal contribution.

The student loan program continues to achieve widespread acceptance as a means of helping college students to meet costs of higher education. A survey conducted by the Office among the 158,000 students who borrowed during the school year 1960-61 reveals that for 9 out of 10 borrowers a loan from this fund determined whether or not the student could enter or continue college. In addition, the survey revealed that more than 70 percent of the borrowers came from families with an annual income of \$6,000 or less.

The continuing growth of this program is underlined by participation data as follows: In 1960, 1,360 colleges made loans to 120,000 students; in 1961, 1,400 institutions made loans to 158,000 students; in 1962, about 190,000 students will receive loans averaging \$500 each in 1,453 colleges and universities; for 1963, it is estimated that approximately 200,000 students will receive loans at about this same level.

The 1963 budget estimate for Federal capital contributions to loan funds is at the maximum authorization of \$90 million, the same amount as the total 1962 requirements which includes a proposed supplemental of \$16,155,000. An amount of \$1,270,000 is estimated for loans to educational institutions, the same as the 1962 appropriation. An amount of \$30,000 is estimated for payments for cancellation of student loans, the same as the 1962 appropriation.

SCIENCE, MATHEMATICS, AND FOREIGN LANGUAGE INSTRUCTION (TITLE III), \$57,750,000

Title III of the National Defense Education Act authorizes payments on a matching basis to States—and loans to nonprofit, private schools—for the purpose of strengthening elementary and secondary school instruction in science, mathematics, and modern foreign languages through acquisition of laboratory and other special equipment and materials, and for minor remodeling incidental to the use of such equipment. This title also authorizes payments for expanded State supervisory and related services and for the costs of administration of State plans for strengthening instruction in the specified subject matter fields as required under the act.

(a) *Acquisition of equipment and minor remodeling*

(1) *Grants to States, \$47,520,000.*—Fifty-two States and jurisdictions have active programs under this title. State reports indicate significant increases in science, mathematics, and foreign language enrollments and in the number of course offerings. In many States curriculum improvement projects have been generated by and integrated with equipment acquisition programs. It is encouraging to note that many local school districts are utilizing the curriculum proposals and research materials developed by other Federal agencies, such as the National Science Foundation and the Atomic Energy Commission along with the equipment acquisition under title III in strengthening their science and mathematics instruction. While most of the funds are expended in the States for science teaching equipment and materials, there has been a continued increase in the number of electronic foreign language laboratories and a greater variety in language course offerings.

The 1963 budget estimate is \$47,520,000, the same amount as appropriated for 1962. However, State usage is estimated to be \$50 million in 1963, an increase of \$14 million over the 1962 program level of \$36 million. Under title III, allotments remain available for a 2-year period.

(2) *Loans to nonprofit private schools, \$6,480,000.*—This is the same amount as appropriated for fiscal year 1963. Loans are made on the basis of satisfactory applications received and approved on conditions by the Commissioner of Education.

On the basis of program experience to date, it is not anticipated that the amount of approved loans will exceed \$1,200,000. The estimate of \$6,480,000 is made necessary by the requirement of the act which provides that 12 percent of the total amount appropriated for acquisition of equipment and minor remodeling must be reserved for the loan program.

(b) *Grants to States for supervision and administration, \$3,750,000*

This program provides grant funds on a matching basis for expanded State supervisory personnel in connection with the administration of the total program. Departments of Education in States participating in title III are unanimous in their conviction that strong supervisory programs are essential to the improvement of instruction in science, mathematics, and foreign languages.

The 1963 budget estimate is \$3,750,000, the same amount as appropriated for 1962 and will fund estimated State requirements for 1963.

NATIONAL DEFENSE FELLOWSHIPS (TITLE IV), \$21,200,000

The Budget estimate for fiscal year 1963 represents a continuation of this program at the 1962 level of operation.

The graduate fellowship program has led to the expansion and strengthening of graduate facilities, the promotion of wider distribution of such facilities throughout the Nation, and the encouragement of students to prepare for college teaching. In 1962-63, fellows will be studying in 813 new or expanded programs in 165 graduate schools. With the award in the spring of 1962 of 1,500 graduate fellowships for study beginning in academic year 1962-63, a total of 5,500 National Defense Graduate Fellowships will have been awarded during the first 4 years of the program. In accordance with the proviso in the Department of Health, Education, and Welfare Appropriation Act of 1962, special care is being taken to approve programs in those areas of study where there is the most urgent need to train college teachers in order to insure trained manpower of sufficient quality and quantity to meet the National Defense needs of the United States.

A fellowship carries a stipend of \$2,000 for the first year, \$2,200 for the second year and \$2,400 for the third year plus \$400 for each dependent for each year. In addition, cost-of-education payments are made available to institutions up to \$2,500 per year for each fellow enrolled.

Two full academic years of experience have shown that about 7 out of every 100 fellowships are resigned each year, and our estimate of funds for fiscal year 1963 is adjusted to take account of this 7 percent per annum dropout rate. The 1963 budget estimate of \$21,200,000 will continue the program at the 1962 level of operation.

GUIDANCE, COUNSELING, AND TESTING (TITLE V), \$22,250,000

(a) Grants to States, \$15,000,000

Title V-A of the act authorizes payments on a matching basis to States to assist in the establishment and maintenance of programs of guidance, counseling, and testing in public secondary schools. The objective of this program is to identify, encourage, and develop the talents of the Nation's secondary school youth.

Fifty-three States and jurisdictions are participating in this program. During the first 3 years of this program, the total number of part-time and full-time counselor personnel serving public secondary schools had grown to 34,670, an increase of about 2,400 over the previous year. State guidance supervisory staffs increased from 99 to 256 full-time and part-time specialists. In their efforts to identify talented students and to secure information essential to effective guidance programs, public secondary schools are testing about 78 percent of the public secondary school students of the Nation at least once each year. Some States are reporting improvements in school holding power reflected in decreasing dropout rates.

The request for this activity is \$15 million, the maximum authorization and the amount appropriated for fiscal 1962.

(b) Institutes for counseling personnel, \$7,250,000

This program provides for contracting with institutions of higher education for operation by them of short-term and regular session institutes. The short-term institute, conducted during the summer session, improves the professional qualifications of partially trained secondary school counselors; the regular session institute, conducted during the academic year, supplies the professional training required for a secondary schoolteacher to achieve entry-level competence as a secondary school counselor.

The regular session institute is setting a new pattern for the professional preparation of secondary school counselors by providing individuals with an academic year of continuous, full-time graduate study. This is in sharp contrast to the conventional manner in which school counselors ordinarily obtain their training; namely, through evening class and summer school attendance over a period of years. An increasing proportion of the available funds is being used to support regular session institutes.

More than twice as many institutions of higher education seek institute contracts as can be awarded. The request for 1963, the full authorization of \$7,250,000, will support 54 short-term institutes and 23 regular session institutes serving an estimated 2,310 enrollees. This represents an increase of \$150,000 over the 1962 appropriation, which will provide for increased costs of training and continued emphasis on full-year institutes.

ADVANCED TRAINING IN FOREIGN AREAS AND LANGUAGES (TITLE VI), \$15,250,000

The language development program has made significant strides toward improving the teaching of modern foreign languages in our schools and increasing the number of persons able to understand the critical languages of the non-Western World. In 1962 a Latin American studies program was initiated in order to intensify Federal aid for strengthening instruction in Latin American languages and related studies and for increasing the number of Latin American scholars and specialists who will be called upon to work in Latin America on projects growing out of the alliance-for-progress program. The 1963 budget estimate of \$15,250,000, the maximum authorized and the same as appropriated for 1962, is distributed as follows:

(a) Training centers and stipends, \$6,200,000

During 1962, 52 language and area centers are in operation. Contracts with the institutions provide that at least one-half of the operational costs are to be borne by the institutions. In a recent survey to determine the languages most needed by Government, business, industry, and education, more than 100 languages were singled out for special attention in the language development program. By 1962 instruction in 55 of these "critical" languages, and related area studies, was receiving Federal support. Approximately 60 percent of Federal support to centers was for language instruction, the balance for area instruction. In 1963, two additional centers will be established. During 1962, 1,088 fellowships have been awarded for advanced study of these languages and related area studies. It is estimated in 1963 that 977 fellowships will be awarded.

(b) Institutes for language teachers, \$7,250,000

With the 1962 appropriation, 79 summer institutes and 6 regular session institutes were arranged by contract with institutions of higher education for advanced training for persons engaged in, or preparing to engage in, teaching, supervising, or training teachers of modern foreign languages in elementary and secondary schools. About 4,108 will attend these summer institutes and about 138 will attend the regular session institutes. The 1963 estimate of \$7,250,000, the maximum authorized and the same amount appropriated for 1962, will provide for continuation of this level of operation of 79 summer institutes and 6 regular session institutes.

(c) Research, \$1,800,000

The act also authorizes the Commissioner directly, or by contract (1) to make studies and surveys to determine the need for increased or improved instruction in modern foreign languages and other area studies; (2) to conduct research on more effective methods of teaching such languages and other fields; and (3) to develop specialized materials for use in such training.

Great progress has been made in the development of teaching materials such as guides, grammars, readers, and manuals, and projects have been undertaken for research in the improvement of the technique of teaching languages. The production of these materials represents an effort which, without the assistance of National Defense Education Act, would normally have taken several decades.

The 1963 estimate of \$1,800,000, a decrease of \$200,000 from 1962 is a reflection of increased emphasis on language training centers. The funds will be used to continue and complete various projects underway including complete modern courses in Russian, French, Spanish, German, and Italian for secondary schools. Vitally needed instructional materials are being developed in Asian and African languages.

NEW EDUCATIONAL MEDIA: RESEARCH AND DISSEMINATION OF INFORMATION (TITLE VII), \$5 MILLION

Under title VII, grants and contracts are awarded to study the appropriate and efficient use of new media and the new methods these media suggest to achieve better education for more students. Information including the results of the research and experimentation, is disseminated to the teachers and administrators who can incorporate these new media uses into their instructional programs.

The program develops a broader base of new media research evidence for the guidance of teaching and learning practices in the field. It searches out and reports norms and goals in each related service area and helps to establish new directions and priorities. It helps to develop blueprints for the future upon which the sound development and use of new media may be based, such as educational television. The program provides a major stimulus to the flow and use of research information and launches new approaches to reporting on newer media.

The 1963 budget at the maximum authorized amount of \$5 million represents an increase of \$230,000 over the 1962 appropriation. The increase will be utilized in expanding the dissemination program.

In 1963 the funds will be used as follows: \$1,500,000 for ongoing research and dissemination projects; \$1,500,000 for support of new research; and \$2 million for the dissemination program.

GRANTS TO STATES FOR AREA VOCATIONAL PROGRAMS (TITLE VIII), \$15 MILLION

The area vocational education program has continued a healthy growth. In 1961, 39,214 persons were enrolled in intensive 2-year programs preparatory to employment as aids to engineers and scientists and as production technicians in industry. In addition, 83,728 employed persons were given training for work as highly skilled technicians for similar occupations. Programs in electronics are most popular, with mechanical, electrical, chemical, aeronautical, production, instrumentation, and civil technologies in the order mentioned. A total of 43,434 persons were enrolled in 1960 in training for the electronics field. Reports indicate that students completing the 2-year intensive preparatory course are eagerly sought for employment. Programs are in operation in all States and the District of Columbia. The history of growth in this program and the continued demand

for such training justifies the request for appropriation of the full amount authorized of \$15 million, an increase of \$2,200,000 over 1962.

GRANTS TO STATES FOR STATISTICAL SERVICES (TITLE X), \$1,700,000

This program provides for improvements in the basic sources of data about elementary and secondary education in the United States. Through this program the States are becoming better equipped to participate as partners in the development of a nationwide intercommunication system of educational information by the addition of qualified professional staff, increased use of standard terminology, installation and refinement of automatic data processing systems, adoption of standards for statistical service and reports, and general improvements in reporting forms, accounting procedures, and techniques for processing and disseminating information.

The number of specific improvements at the State level are mounting rapidly. Only 13 States were utilizing automatic data processing systems prior to the National Defense Education Act; now over 40 States have either initiated or expanded automatic data processing systems under the title X program.

The 1963 budget estimate is \$1,700,000, an increase of \$150,000 over 1962. It is anticipated that 49 States and other jurisdictions will participate in 1963, an increase of 3 over 1962—30 States are estimated to increase their financial requirements over 1962.

Mr. FOGARTY. Go right ahead, Doctor.

Mr. McMURRIN. The National Defense Education Act is based on the firm belief that it is essential to the national interest that every young person should have the opportunity to develop his gifts to the fullest extent—that in this way the Nation can be assured of enough trained manpower of sufficient quantity and quality to meet national defense needs.

During the first 4 years of operation, the various programs authorized to alleviate critical weaknesses in our educational program have made substantial progress toward meeting their goals.

Public Law 87-344 extended the National Defense Education Act for a 2-year period through fiscal year 1964.

The 1963 budget estimate is \$229,450,000, representing an increase of \$1,668,000 over the total 1962 estimated appropriation of \$227,782,000, which includes a proposed supplemental of \$16,155,000 for student loans. More specifically, the budget estimate for 1963 is distributed as follows:

STUDENT LOANS (TITLE II), \$91,300,000

The student loan program provides for the establishment, at American colleges and universities, of loan funds from which needy students may borrow to continue their education, and for loans to the institutions to provide for the non-Federal capital contribution.

A survey of the 158,000 borrowers of 1960-61 reveals that for 9 out of 10 a loan from this fund determined whether or not a student could enter or continue college, and that 70 percent came from families with an annual income of \$6,000 or less. An estimated 200,000 students will receive loans in the 1962-63 academic year.

With the proposed supplemental for 1962, Federal capital contributions for student loan funds will reach the maximum authorization of \$90 million. This level of support is continued in 1963. The 1962 amount of \$1,300,000 for loans to institutions and payment for cancellation of student loans is estimated to be sufficient for 1963.

SCIENCE, MATHEMATICS, AND FOREIGN LANGUAGE INSTRUCTION
(TITLE III), \$57,750,000

Title III authorizes a twofold approach to aid in improving instruction in science, mathematics, and foreign language at the elementary and secondary level:

(a) Grants to States on a matching basis and loans to nonprofit private schools for acquisition of laboratory and other special equipment and materials needed in these subject areas and minor remodeling incidental to the use of such equipment;

(b) Grants to States for expanded supervisory and related services and for costs of administration of State plans for strengthening instruction in these critical subject matter fields.

ACQUISITION OF EQUIPMENT AND MINOR REMODELING

(1) Grants to States, \$47,520,000: An amount of \$47,520,000, the same amount appropriated for fiscal year 1962, is requested. However, it is anticipated that the actual program level will increase by \$14 million over 1962 estimated obligations of \$36 million. State reports indicate significant increases in science, mathematics, and foreign language enrollments and in the number of course offerings.

(2) Loans to nonprofit private schools, \$6,480,000: On the basis of program experience to date, it is not anticipated that the amount of approved loans will exceed \$1,200,000. The estimate of \$6,480,000, the same amount appropriated for 1962, is made necessary by the requirement of the act which provides that 12 percent of the total amount appropriated for acquisition of equipment and minor remodeling must be reserved for the loan program.

GRANTS TO STATES FOR SUPERVISION AND ADMINISTRATION, \$3,750,000

This estimate provides for the continuation of grants to States for expanded supervisory and related services and for the cost of administration of State plans at the 1962 level of operation of \$3,750,000.

NATIONAL DEFENSE FELLOWSHIPS (TITLE IV), \$21,200,000

The graduate fellowship program has led to the expansion and strengthening of graduate facilities, the promotion of wider distribution of such facilities throughout the Nation, and the encouragement of students to prepare for college teaching. The budget estimate of \$21,200,000 will continue the program at the maximum authorization of 1,500 new fellowships each year.

The 1963 estimate reflects a decrease of \$1,062,000 from the 1962 appropriation due to the fact that reliable information is now available on the rate of dropout of graduate fellows. Under present authority, no fellows may be appointed to replace those who leave school.

GUIDANCE, COUNSELING, AND TESTING (TITLE V), \$22,250,000

(a) Grants to States, \$15 million: This program assists in the establishment and maintenance of guidance, counseling and testing programs in public secondary schools. The objective of this program is to identify, encourage, and develop the talents of the Nation's youth. The 1963 estimate of \$15 million, the maximum amount authorized, is the same amount appropriated for 1962.

(b) Institutes for counseling personnel, \$7,250,000: The request for 1963, the full authorization of \$7,250,000, will support 54 short term and 23 regular session institutes for specialized training in guidance and counseling work serving an estimated 2,310 enrollees. The crucial need for guidance counselors continues; major emphasis will again be placed on full-year training in 1963. This level represents an increase of \$150,000 over the 1962 appropriation and will provide for increased costs of training and continued emphasis on full-year institutes.

ADVANCED TRAINING IN FOREIGN AREAS AND LANGUAGES (TITLE VI),
\$15,250,000

The total estimate for 1963 for advanced training in foreign areas and languages is at the maximum authorized as it was in 1962; \$8 million for training centers and research and \$7,250,000 for institutes for language teachers. However, there is a change in emphasis within the program: the 1963 estimate for language research is \$1,800,000, a decrease of \$200,000, and the estimate for language and area centers is \$6,200,000, an increase of \$200,000, in order to strengthen support because of the addition of Spanish as a critical language and the establishment of centers in Spanish. A total of 54 centers will be supported in 1963. Over 4,200 language teachers will receive specialized training at language institutes in 1963.

NEW EDUCATIONAL MEDIA RESEARCH (TITLE VII), \$5 MILLION

The act provides for research, experimentation, and related dissemination activities intended to discover and encourage more effective uses of media for educational purposes.

The 1963 estimate of \$5 million, the maximum amount authorized, represents an increase of \$230,000 over the 1962 appropriation. With the increasing application of new media technology to educational practices and methods, the increase will be used for experimentation and dissemination of findings to educators throughout the country.

GRANTS TO STATES FOR AREA VOCATIONAL PROGRAMS (TITLE VIII),
\$15 MILLION

The estimate for area vocational programs is the maximum authorization of \$15 million, an increase of \$2,200,000 over 1962. It is estimated that the States will be able to utilize this increase due to normal growth and expansion of programs for training highly skilled technicians.

GRANTS TO STATES FOR STATISTICAL SERVICES (TITLE X), \$1,700,000

This program provides for improvements in the basic sources of data about elementary and secondary education in the United States.

The 1963 estimate is \$1,700,000, an increase of \$150,000 over 1962. Thirty States are estimated to increase their requirements over 1962 because of augmentation of present efforts to improve statistical services.

That concludes the statement, Mr. Chairman.

Mr. FOGARTY. Thank you, Doctor.

SUMMARY OF BUDGET

The appropriation for 1962 is \$221,627,000 and a supplemental of \$16,155,000 is proposed for a total of \$237,782,000.

Mr. HUGHES. Yes, sir.

Mr. FOGARTY. The request for 1963 is \$229,450,000, an increase of \$1,688,000.

UNOBLIGATED BALANCES

Because of the differences in unobligated balances at the end of the year, it is estimated that approximately \$17 million more will be obligated in 1963 than in 1962?

Mr. HUGHES. Yes, sir.

Mr. FOGARTY. Will you explain the unobligated balance of \$37,520,000 carried forward from 1961 to 1962, and the \$32,520,000 from 1962 to 1963?

Tell us what accounts for the difference of \$5 million.

Mr. HUGHES. The unobligated balance here accrues because of the provision in title III which permits the States to carry forward from one year to another the amounts to which they are entitled for purchase of scientific equipment. The decrease of fiscal year 1962 to fiscal year 1963 is accounted for by the increased utilization of funds in fiscal year 1963.

Mr. FOGARTY. Explain the unobligated balance of \$18,466,000 estimated for the end of fiscal year 1962 and the \$8,637,000 for the end of fiscal year 1963 and tell us what accounts for the difference. It is about \$10 million.

Mr. PATEROS. The \$10 million is carried over from fiscal year 1962. No. While this pertains also to title III—the entire amount is involved in title III and the difference is due to the increased usage by the States. It is estimated that in fiscal year 1963 they will use \$35 million out of the fiscal year 1962 unobligated balance available and \$15 million out of the 1963 allotment.

Mr. FOGARTY. This is a little complicated. Perhaps it would be best for you to supply it in more detail for the record.

Mr. HUGHES. The essential difference is between the funds in the States available to their use and the funds in Washington and lapsed to the Treasury.

Mr. FOGARTY. Explain it in a little bit more detail for the record.

(The information requested follows:)

Defense educational activities, fiscal year 1962

Description	Appropriation including available carryover funds	Estimated obligations	Carryover to 1963	Unobligated balances—lapse
1. Student loans:				
(a) Contribution to loan funds.....	¹ \$90,000,000	\$90,000,000	-----	-----
(b) Loans to educational institutions.....	1,270,000	1,270,000	-----	-----
(c) Cancellation of student loans.....	30,000	30,000	-----	-----
2. Science, mathematics, and foreign language instruction:				
(a) Acquisition of equipment and minor remodeling:				
(1) Grants to States.....	84,502,745	36,000,000	\$37,520,000	\$10,982,745
(2) Loans to nonprofit private schools.....	6,480,000	900,000	-----	5,580,000
(b) Grants to States for supervision and administration.....	3,750,000	2,840,660	-----	909,340
3. National defense fellowships.....	22,262,000	21,370,800	-----	891,200
4. Guidance, counseling, and testing:				
(a) Grants to States.....	15,000,000	14,949,389	-----	50,611
(b) Institutes for counseling personnel.....	7,100,000	7,062,000	-----	38,000
5. Advanced training in foreign areas and languages:				
(a) Training centers.....	6,000,000	6,000,000	-----	-----
(b) Institutes for language teachers.....	7,250,000	7,250,000	-----	-----
(c) Research.....	2,000,000	2,000,000	-----	-----
6. Educational media research.....	4,770,000	4,755,000	-----	15,000
7. Grants to States for area vocational programs.....	12,800,000	12,800,000	-----	-----
8. Grants to States for statistical services.....	1,550,000	1,550,000	-----	-----
Total.....	264,764,745	208,777,849	37,520,000	18,466,896

¹ Includes proposed supplemental of \$16,155,000.*Defense educational activities, fiscal year 1963*

Description	Appropriation including available carryover funds	Estimated obligations	Carryover to 1964	Unobligated balances—lapse
1. Student loans:				
(a) Contribution to loan funds.....	\$90,000,000	\$90,000,000	-----	-----
(b) Loans to educational institutions.....	1,270,000	1,270,000	-----	-----
(c) Cancellation of student loans.....	30,000	30,000	-----	-----
2. Science, mathematics, and foreign language instruction:				
(a) Acquisition of equipment and minor remodeling:				
(1) Grants to States.....	80,040,000	50,000,000	\$32,520,000	\$2,520,000
(2) Loans to nonprofit private schools.....	6,480,000	1,200,000	-----	5,280,000
(b) Grants to States for supervision and administration.....	3,750,000	2,962,100	-----	787,900
3. National defense fellowships.....	21,200,000	21,200,000	-----	-----
4. Guidance, counseling, and testing:				
(a) Grants to States.....	15,000,000	14,950,743	-----	49,257
(b) Institutes for counseling personnel.....	7,250,000	7,250,000	-----	-----
5. Advanced training in foreign areas and languages:				
(a) Training centers.....	6,200,000	6,200,000	-----	-----
(b) Institutes for language teachers.....	7,250,000	7,250,000	-----	-----
(c) Research.....	1,800,000	1,800,000	-----	-----
6. Educational media research.....	5,000,000	5,000,000	-----	-----
7. Grants to States for area vocational programs.....	15,000,000	15,000,000	-----	-----
8. Grants to States for statistical services.....	1,700,000	1,700,000	-----	-----
Total.....	261,970,000	225,812,843	32,520,000	8,637,157

DEFENSE EDUCATIONAL ACTIVITIES—EXPLANATION OF DECREASE IN LAPSED FUNDS

Under defense educational activities, the estimated lapse in 1962 is \$18,466,896 and the estimated lapse in 1963 is \$8,637,157. The reduction of lapsed funds between 1962 and 1963 is \$9,829,739. The explanation for this reduction of lapsed funds for the individual programs under defense educational activities follows:

TITLE III—SCIENCE, MATHEMATICS, AND FOREIGN LANGUAGE INSTRUCTION

Grants to States for acquisition of equipment and minor remodeling:

Estimated lapse 1962-----	\$10,982,745
Estimated lapse 1963-----	2,520,000

Reduction in lapse-----	8,462,745
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The reduction in lapse is due to the increased level of activity in the States. More States will be able to use their available carryover funds in 1963. Twelve fewer States are lapsing funds in 1963 than in 1962.

Loans to nonprofit private schools for acquisition of equipment and minor remodeling:

Estimated lapse 1962-----	\$5,580,000
Estimated lapse 1963-----	5,280,000

Reduction in lapse-----	300,000
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It is estimated that loan activity in 1963 will increase \$300,000 over 1962 which, in turn, reduces the estimated lapse. The appropriation for 1962 and request for 1963 of \$6,480,000 are made necessary by the requirement that 12 per cent of the appropriation for acquisition of equipment and minor remodeling must be reserved for the loan program.

Grants to States for supervision and administration:

Estimated lapse 1962-----	\$909,340
Estimated lapse 1963-----	787,900

Reduction in lapse-----	121,440
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In 1963 the States will increase activity in this program area, which, in turn, will reduce the amount of lapsed funds. It is estimated that 19 States will increase the amount of funds used in 1963 over 1962 and that 30 States will use their full allotments under the request of \$3,750,000.

TITLE IV—NATIONAL DEFENSE FELLOWSHIPS

Estimated lapse 1962-----	\$891,200
Estimated lapse 1963-----	-----

Reduction in lapse-----	\$891,200
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At the time the 1962 budget was prepared reliable information was not available on the dropout rate of graduate fellows. Experience to date now indicates that 7 out of 100 fellows drop out of school. The estimated obligations for 1962 were computed with a rate of 7 percent for dropouts, resulting in the estimated lapse of \$891,200. The 7-percent dropout rate has been applied to the 1963 budget and, therefore, no lapse is estimated for 1963.

TITLE V—GUIDANCE, COUNSELING, AND TESTING

Grants to States for guidance, counseling, and testing :

Estimated lapse 1962-----	\$50, 611
Estimated lapse 1963-----	49, 257

Reduction in lapse-----	1, 354
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A few States are not using their maximum allotments under the 1962 appropriation and 1963 budget request of \$15 million.

Institutes for counseling personnel :

Estimated lapse 1962-----	\$38, 000
Estimated lapse 1963-----	

Reduction in lapse-----	38, 000
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The 1962 lapse occurs because of the administrative reserve placed on this program in 1962.

TITLE VII—EDUCATIONAL MEDIA RESEARCH

Estimated lapse 1962-----	\$15, 000
Estimated lapse 1963-----	

Reduction in lapse-----	15, 000
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The 1962 lapse occurs because of the administrative reserve placed on this program in 1962.

1962 BUDGET RESERVES

Mr. FOGARTY. Are there any forced savings for 1962?

Mr. HUGHES. There is a small amount in the counseling and guidance institute program.

Mr. FOGARTY. Give us a breakdown of what they are. I am just talking about the forced savings now.

Mrs. DANE. \$38,000 for guidance and counseling institutes and \$15,000 for new educational media.

ORIGINAL 1963 BUDGET ESTIMATES

Mr. FOGARTY. Do I understand correctly neither the Department or the Bureau of the Budget cut your budget request?

Mr. HUGHES. The NDEA request, that is right, sir.

Mr. FOGARTY. You did pretty well.

Mr. McMURRIN. Very well—so far.

Mr. FOGARTY. Is this the full amount asked for by all of your division heads, of you?

Mr. HUGHES. Yes, sir. These are the amounts in our best judgment, the amounts that can be effectively used in every title. There has been no holding back for fiscal year 1963. There is, of course, the question in title III of the estimated level of utilization. As you know, we have been somewhat in arrears in terms of the full authorization of \$70 million in title III and we are using the best judgment we have as to the amounts the States can effectively use in fiscal year 1963. We hope they will use at least this much.

Mr. FOGARTY. How much is that?

Mr. KELLY. The total request is \$53 million, against \$70 million authorization for the grants to the States and the use for loans to nonprivate schools. Other than that and the administration of that part of the program I believe that every part equals the maximum where a maximum was set in law.

STUDENT LOAN PROGRAM

Mr. HUGHES. I might point out in the student loan program that the \$90 million authorization will be reached—as it will be reached in fiscal year 1962 with a requested supplemental and that in fiscal year 1963 it does not cover in full the needs of the institutions.

Mr. FOGARTY. How much do you think you will be short in fiscal year 1963?

Mr. HUGHES. The total requirements in fiscal year 1963 are about \$115 million on the basis of the present authorization. We will be \$25 million short of meeting the full needs of the institutions.

Mr. FOGARTY. About how many institutions of higher learning are not participating?

Mr. HUGHES. In the student loan program?

Mr. FOGARTY. Yes.

Mr. MILDENBERGER. About 500. Most of these or a good part of them are small community junior colleges with students drawn from the local population or they are not interested in a loan program because of the nature of the pupils.

EFFECT OF OATH REQUIREMENTS

Mr. HUGHES. Are you referring to the number that have withdrawn or failed to participate because of the oath and affidavit requirements, sir?

Mr. FOGARTY. Both.

Mr. HUGHES. We can supply for the record the institutions that have withdrawn or indicated their failure to participate because of objection to the oath and affidavit.

Mr. FOGARTY. All right.

(The requested information follows:)

INSTITUTIONS OF HIGHER EDUCATION PROTESTING THE DISCLAIMER AFFIDAVIT PROVISION OF THE NATIONAL DEFENSE EDUCATION ACT

Twenty colleges and universities have withdrawn from the National Defense student loan program in protest against the disclaimer affidavit provision and 9 have declined to participate in the program because of this provision. Presidents or boards of another 62 institutions have stated their disapproval of the disclaimer affidavit but continue to participate in the program.

The institutions listed as having declined to participate and as having stated their disapproval include only those which have officially notified the Office of Education of their position.

Institutions which have withdrawn from the student loan program because of the disclaimer affidavit:

Amherst College, Massachusetts
 Antioch College, Ohio
 Bennington College, Vermont
 Brandeis University, Massachusetts
 Goucher College, Maryland
 Grinnell College, Iowa
 Harvard University, Massachusetts
 Interdenominational Theological Seminary, Georgia
 Mount Holyoke College, Massachusetts
 Oberlin College, Ohio

Radcliffe College, Massachusetts
 Reed College, Oregon
 St. John's College, Maryland
 Sarah Lawrence College, New York
 Smith College, Massachusetts
 University of Chicago, Illinois
 Vassar College, New York
 Wesleyan University, Connecticut
 Wilmington College, Ohio
 Yale University, Connecticut

Institutions which declined to participate in the student loan program because of the disclaimer affidavit:

Beloit College, Wisconsin
 Bryn Mawr College, Pennsylvania
 Colby Junior College, New Hampshire
 Haverford College, Pennsylvania
 Mills College, California

Newton College of the Sacred Heart,
 Massachusetts
 Princeton University, New Jersey
 Swarthmore College, Pennsylvania
 Wellesley College, Massachusetts

EFFECT OF LOAN FUND LIMITATIONS ON THE PROGRAM

Mr. FLYNT. There is a short fall due also to the limitation of \$250,000. This amounts to about \$9 million.

Mr. FOGARTY. I did not get that.

Mr. HUGHES. The \$250,000 limitation on the amount that could be paid to any one institution is a limitation on the scope of the program in a substantial number of institutions. The amount of estimated requirements that I gave previously of \$115 million would be \$124 million were it not for that limitation.

NDEA LOAN REPAYMENTS

Mr. FOGARTY. Now, to what extent are repayments being made?

Mr. MILDENBERGER. Repayments are starting to come in now on a small scale. There is not much to say about this until we get more experience except that we get a very favorable impression from the amount of accelerated repayments by students, repayments before they are due. But it will take this year, the current year we are in—

Mr. FOGARTY. Maybe next year you can give us a better idea?

Mr. MILDENBERGER. Yes, sir.

SCIENCE, MATHEMATICS, AND FOREIGN LANGUAGE INSTRUCTION

Mr. FOGARTY. The next category is "Science, mathematics, and foreign language instruction." Here the request is \$57,750,000, which is substantially less than the authorization of \$70 million. Why isn't this going as well as the other parts of the program?

Mr. HUGHES. We did start out at the beginning of this program with a lack of information as to the needs and abilities of the States and communities to use these funds so there was no scientific evidence to support the specific need of \$75 million but I think Dr. Ludington could speak to that.

Mr. LUDINGTON. Our analysis at this point, Mr. Chairman, indicates that in several of the States matching funds are drying up. This is particularly true in States with large numbers of small districts and large numbers of small schools. That we feel is in part related to the tradition in education that affects these schools; namely, that we do not provide the same type of extensive facilities for a chemistry laboratory or a physics laboratory in a small school that we would provide in a large school.

Each year the States give us projected estimates of their requirements and at the end of the year when we get their financial report data, if there are deviations from the initial estimates we ask for explanations. The leading explanation now is lack of matching funds at the local level. As you know, the majority of the States are participating in this program on the basis of the use of local matching

funds through the local school districts rather than State-appropriated matching funds.

On the State supervisory and administrative aspect of the program it is quite apparent that the level of funds appropriated in the initial period by legislatures to meet the expansion and improvement concept has tended to establish the program level up to this point. We have had sessions with practically all of the States and feel that the supervisory leadership service on the part of States is being held back in a few States because the minimum prescribed by the law—namely, \$20,000, is not sufficient for them to carry on the kind of program some of the States would like to carry on. I think this covers at least the information that has come to us.

DISADVANTAGES OF MATCHING FORMULA

Mr. HUGHES. One of the obviously unfortunate features of the matching arrangement now is that the wealthiest school districts are, of course, more able to match the Federal funds and therefore to that extent are more able to participate and take advantage of the program. I think the possibility of variable matching arrangements, both to the States and within the States, would have some advantage.

Mr. FOGARTY. We have found that to be true in our health research programs also. The wealthier institutions have the matching funds available to take advantage of these grants and as a result much of this research money is going to these schools who have the money. A lot of untapped scientific manpower is not being used because the schools do not have the money to match these Federal grants.

Mr. HUGHES. This is true in our case.

Mr. FOGARTY. It seems there should be some variable matching formula to allow these poorer schools to take advantage of what is being offered.

Mr. HUGHES. Yes, sir.

Mr. FOGARTY. We are running into that in the Institutes of Health also.

Mr. LUDINGTON. May I add for the record, under our procedures a State may elect a variable matching procedure in its relationships with local school districts. A number of the States do this but this does not solve the overall problem where there are financial deficiencies statewide.

The other thing that bothers us with this program to some extent is the fact that we have attempted, as you know, to get reallocation authority. Some of the more ambitious States could use more funds than are allotted under the amount appropriated but we are not able to shift these funds available into those States.

NONPARTICIPATING STATES

Mr. FOGARTY. Are there any States not participating?

Mr. LUDINGTON. At this point we have two States, Arizona and Wyoming which are not participating and will not participate next year, and the Canal Zone.

Mr. FOGARTY. Why haven't they participated?

Mr. LUDINGTON. In the case of Arizona we received and approved the State plan. They were unable to obtain through their legislative

procedures the necessary matching funds for the State level operation.

In the case of Wyoming they came into the program in the second year of the operation and by legislative action withdrew. My understanding of the procedure was that they would participate in non-matching programs but were withdrawing from all programs requiring matching, except the existing program of vocational education.

PRIVATE SCHOOL PARTICIPATION

Mr. FOGARTY. The program involving private schools is lagging further behind the authorization than any other part of the national defense education program. What is the reason for that?

Mr. LUDINGTON. This is something of a disappointment. Our feeling at this point is that the discussions with reference to aid programs to education are a factor in this. Some bodies sponsoring such schools have by board policy elected not to participate in such programs as this. Our record, although slim, indicates that the schools that are taking advantage of the opportunity are able to move faster with the plans they have projected, many of which involve the accreditation of these schools in particular science and mathematics areas. So the schools that are participating, I think, find it a favorable way to advance more rapidly than they would have advanced otherwise, but there are many complicating factors which do not appear on the surface.

Many of the inquiries and initial proposals coming to us involve requests for construction funds rather than equipment funds.

Mr. FOGARTY. Is the interest going up or down?

Mr. LUDINGTON. I would say the interest in terms of inquiries about the program has remained about the same level.

The filing of applications for our approval has decreased. Each year we circularize all of the private nonprofit secondary schools and all of the elementary schools and we contacted each of the independent school organizations with reference to the program and the funds available in each State. So, officials are aware of the program. I think for those who have participated, it has been beneficial.

Mr. FOGARTY. Do you think you have done all that is necessary to inform these schools of what is available?

Mr. LUDINGTON. We have certainly contacted the leadership in each year of the program. If you have any suggestion along this line we would like to know about it. Our representatives have attended the organization meetings, have discussed the program, have been available for question-and-answer periods and, as I say, each year many thousands of these schools are circularized, individually.

Mr. FOGARTY. I did not realize there was such a lack of interest.

Mr. FLYNT. Let me point out though, Mr. Fogarty, when the bill was being considered the notion that a 12-percent set-aside of the total funds made available was based on the population the private schools represented. We had no table of experience with which to indicate an interest in borrowing for equipment only and it does indicate that this is a seriously incorrect method of determining the amount of money. It does mean you have a great deal of money and there is no possibility of using all of it.

NATIONAL DEFENSE FELLOWSHIPS

Mr. FOGARTY. You are asking for \$21.2 million, the maximum authorized for national defense fellowships. What have you done since last year as the result of congressional criticism of this part of the program and what have been the results?

Mr. McMURRIN. May I say, Mr. Chairman, that we have changed the regulations to eliminate fellowships in several fields: fellowships in the field of religion, fellowships in the field of ancient studies, and fellowships in the fine arts. The net results have been rather clearly indicated by information that I think Mr. Mildenerger can speak to. The action has cut down the number of fellowships that have been actually awarded in the coming year in the humanities and the fine arts.

Mr. MILDENBERGER. In the first place, the Office of Education has not approved 47 programs which were approved last year. They have not received any fellowships this year and I will be glad to give them for the record.

Mr. FOGARTY. Put those in the record.
(The document follows:)

TITLE IV PROGRAMS APPROVED IN 1961 AND IN PREVIOUS YEARS BUT NOT APPROVED
IN 1962 IN NONPRIORITY FIELDS OF STUDY

(Total: 47)

Approved in 1960:

Classics:

Stanford University, California
Indiana University, Indiana
Tufts University, Massachusetts
University of Washington, Washington

Classical languages:

University of Southern California, California
University of Texas, Texas

Classics (latin, medieval, and humanistic philosophy): Fordham University,
New York

Classical studies: State University of Iowa, University of Wisconsin, University of Minnesota (cooperative program)

Medieval linguistics and literature: University of Oregon, Oregon

Medieval and renaissance English literature: St. Louis University, Missouri

Victorian literature: Emory University, Georgia

Literature of the drama: Loyola University, Illinois

Bibliography and textual criticism: University of Virginia, Virginia

English: Folklore: University of Kansas, Kansas

Dramatic art: State University of Iowa, Iowa

Speech: University of Oklahoma, Oklahoma

Speech and drama: University of Kansas, Kansas

Theater and speech: Tulane University, Louisiana

Church music: University of Rochester, Eastman School of Music, New York

Music:

Ohio State University, Ohio
George Peabody College for Teachers, Tennessee
West Virginia University, West Virginia

Musiology: University of Pittsburgh, Pennsylvania

Religion:

Biblical and Judaeo-Christian studies: State University of Iowa, Iowa;¹

History and philosophy: Claremont Graduate School, California;¹

Church history and Christian ethics: Duke University, North Carolina

Religious studies: Brown University, Rhode Island.

American studies: Folklore: Indiana University, Indiana

¹ Did not reapply.

Approved in 1960—Continued

Art: History:

State University of Iowa, Iowa

Johns Hopkins University, Maryland¹

Buddhist studies: University of Wisconsin, Wisconsin

European history: Medieval and modern: Tulane University, Louisiana²

Origins of Western civilization and culture: Loyola University, Illinois

City planning: Metropolitan studies: Syracuse University, New York

City and regional planning:

Massachusetts Institute of Technology, Massachusetts,

University of North Carolina, North Carolina

Political science: Urban problems: University of Florida, Florida

Sociology: Marriage and family living: Florida State University, Florida

Social welfare: University of California (Berkeley), California

Approved in Previous Years

Classics: University of North Carolina, North Carolina

Comparative religions: Dropsie College for Hebrew and Cognate Learning, Pennsylvania

Dramatic arts: Northwestern University, Illinois¹

Music: University of Washington, Washington

Old Testament: Emory University, Georgia¹

Theology: Union Theological Seminary, New York¹

Archeology: University of California (Los Angeles), California¹

Home economics education: Cornell University, New York¹

ADDITIONAL FELLOWSHIPS IN SCIENCE AND ENGINEERING

Mr. MILDENBERGER. Additionally, in the selection of programs and the awarding of fellowships, an effort was made to award more of both in the sciences and engineering, moving them out of the humanities, social science, and education columns so that in fiscal year 1961, 55 percent of the programs approved were in the humanities, social science, and educational bracket. In fiscal year 1962, 51 percent will be in the same bracket. Conversely, in the field of biological sciences, physical sciences, and engineering, in fiscal year 1961 the percentage of programs there was 45 and it has now gone up to 49. And the same pattern is true in the individual fellowship awards.

Mr. FOGARTY. Is there anything else you want to say?

Mr. McMURRIN. Yes, Mr. Chairman. I would like to say that our action, as you know, was determined by the record of our appropriations hearings last year. We were anxious to adhere to the law as required by the Appropriations Act. In accordance with the directive, we have administered the fellowship title according to the purposes of the act described in title I, and we believe that thereby, we have religiously adhered to the purposes of the act as interpreted by the Congress.

I would like to say that we have been subjected to very severe criticism at this point from various academic groups and I personally believe that the principle upon the basis of which this criticism has been offered is a principle very worthy of consideration by the members of this committee and the Members of Congress. I personally believe that the principle is a sound one. It is simply the recognition, as I stated last year before this committee, that in the long run the strength and security of the Nation depend upon the quality of its educational programs as a whole; that the humanities and the fine arts contribute

¹ Did not reapply.

² Continued as modern European history.

very importantly and in a very fundamental way to the strength of our society as well as to the quality of our culture. I believe personally that it is an unfortunate thing that the National Defense Education Act does not clearly allow for the awarding of fellowships on a broader basis in the field of the fine arts and the humanities. So that although we have undertaken to adhere rigorously to the requirements of the law, I believe nevertheless that the criticism of our action is based upon the very sound principle that national strength calls for a broad program of improvement of education in all fields.

If I may use a simple example to illustrate my point, you have the problem of whether Thomas Jefferson, for instance, who contributed so importantly to the foundations of the Republic, would have made the kind of contributions that he did make if he had not had a classical education. We have actually in our present regulations removed from support certain facets of the kind of education that Thomas Jefferson had and on the basis of which his contributions to the Nation were made. We have by our regulations actually removed some facets of this kind of education from the areas in which fellowships are allowed.

RESOLUTION OF GRADUATE SCHOOLS AND LEARNED SOCIETIES

I would like, Mr. Chairman, if it is permissible, to enter into the record—submit for the entrance into the record—resolutions passed by the Association of Graduate Schools and the American Council of Learned Societies which in effect state the kind of position which I personally very strongly support. May I read one for the record.

Mr. FOGARTY. Proceed.

Mr. McMURRIN (reading):

The Association of Graduate Schools (its Canadian members abstaining) urges that in the administration of the title IV fellowship program of the NDEA, it be fully recognized that in the interest of the national defense breadth of programs is essential; that the fullest defense comes from the fullest education; that such defense is not attained by the narrowly conserved training of scientists only in fully science-related fields, and that the undue restriction of fields in which fellowships are to be available is not in the national interests.

I personally fully endorse this statement. Thank you, sir.
(The resolutions follow:)

THE OHIO STATE UNIVERSITY GRADUATE SCHOOL,
Columbus, Ohio, January 3, 1962.

Dr. STERLING McMURRIN,
U.S. Commissioner of Education,
Department of Health, Education, and Welfare,
Washington, D. C.

DEAR DR. McMURRIN: As Secretary of the Association of Graduate Schools, I am writing to inform you of a resolution adopted by the association at its October 1961 meeting in New Orleans. This resolution reads as follows:

"The Association of Graduate Schools (its Canadian members abstaining) urges that in the administration of the title IV fellowship program of the NDEA, it be fully recognized that in the interest of the national defense breadth of programs is essential; that the fullest defense comes from the fullest education; that such defense is not attained by the narrowly conserved training of scientists only in fully science-related fields, and that the undue restriction of fields in which fellowships are to be available is not in the national interests."

I am sorry to have delayed so long in transmitting this resolution to you but according to action taken by the association members in October, it was necessary for the executive committee to pass upon the resolution. I have just now received full approval of the executive committee. The members of the committee wish to commend you for your fine statements which support the broadest pos-

sible interpretation of title IV of the National Defense Education Act. I am sure that any member of the association will be willing, if called upon, to testify at the next congressional hearings over the National Defense Act, title IV.

Sincerely yours,

EVERETT WALTERS, *Dean*.

The resolutions quoted below were adopted by the American Council of Learned Societies at its annual meeting on January 21, 1962.

The council is a private nonprofit federation of national scholarly organizations concerned with the humanities and the humanistic aspects of the social sciences. It is a member of the International Union of Academies.

Resolved, That this council regards it as imperative, in the national interest and for the strengthening of American education on the broadest possible front, that the Federal Government extend its support of summer and academic year institutes for secondary school teachers to include the basic humanistic and social studies on the same basis as modern foreign languages, mathematics, and the natural sciences.

Resolved, That this council very strongly urges that the Federal Government, in the national interest and for the strengthening of our scholarly and intellectual resources on the broadest possible front, extend its support of higher education and research to include all the humanities and the social sciences on the same basis as mathematics, the natural sciences, and technology.

GUIDANCE COUNSELING AND TESTING

Mr. FOGARTY. You asked for \$22,250,000 for guidance counseling and testing, which is again the maximum authorized. Now, the grants to States are required to be matched on a 50-50 basis. At what rate are they actually being matched?

Mr. LUDINGTON. It is about 5 to 1.

Mr. FOGARTY. Are there any States not participating?

Mr. LUDINGTON. Only Wyoming.

Mr. FOGARTY. \$7,250,000 is for institutes for counseling personnel which will provide for 54 short-term and 23 full-year institutes. If there were more funds, are there more schools that could set up good programs?

Mr. PATEROS. We are at the maximum authorization now.

Mr. HUGHES. Mr. Mildenerger, could you speak to the requests that have come in that could have been approved?

Mr. MILDENBERGER. Yes.

There are sufficient institutions and proposals that could conduct quality counseling and guidance institutes to provide for 20 more summer institutes and 6 regular session institutes out of fiscal year 1962 money, which would cost about \$2 million.

Mr. FOGARTY. Do you think you are going to meet the need for counseling personnel at the rate we are going now?

Mr. MILDENBERGER. It looks very difficult. This particular profession has a very large turnover. It is estimated that about 20 percent of the people providing counseling and guidance this year will move out of it into administrative jobs or straight teaching. The reason for changing emphasis in the institute program to academic year institutes—full-year institutes—has been to try to provide large scale professional training in order to hold these people in their positions.

Mr. FOGARTY. So the answer is "No," isn't it?

Mr. MILDENBERGER. I think your question was, would it ever solve the problem.

Mr. FOGARTY. At the rate we are going now.

Mr. MILDENBERGER. Not at the rate we are going now.

Mr. LUDINGTON. I could say a word about it, about the A section of title V.

It is apparent that last year we did make progress, increasing the number of persons who were serving as counselors half time or more over previous year's experience in secondary schools. In other words, we have more people spending more time in this service area. In other words, the ratio of counselors to pupils is improving.

Now, I think the third factor is also significant and that is that most of the States are raising the qualifications and other standards for the employment of counselors. Some of the regional accrediting associations are now making this aspect of the school program a phase as secondary school accreditation.

ADVANCED TRAINING IN FOREIGN AREAS AND LANGUAGES

Mr. FOGARTY. Now, for advanced training in foreign languages you are asking for the full authorization of \$15,250,000. This isn't any increase over 1962. Is there any unused potential for training that is not being used?

Mr. MILDENBERGER. Yes, there is. We reckon that in fiscal year 1962 in the language program at least \$1.5 million more could be spent on a matching basis. The universities are prepared to match that much to extend activities in present centers and other institutions are prepared to establish centers on a matching basis. The total that we can see there is at least \$1.5 million in this present fiscal year.

In the fellowship program, stipends authorized in part A of title VI, we estimate that a minimum of \$500,000 could be spent well this year. We will have the good applications and there will be the places in the institutions of higher education and there will certainly be the continuing need.

In the institute program for schoolteachers, we would estimate at the present time that not more than four additional institutes could be supported this year at a cost of about \$300,000. This is not because there are not a great many teachers to receive this training; there are. But higher education has had to develop slowly into the institute concept—that is the foreign language departments—and so we do not want to outstrip the ability of higher education to provide the effective training.

Mr. FOGARTY. Much of this is on a matching basis. How much in non-Federal funds is being spent?

Mr. MILDENBERGER. Only the centers are on a matching basis. The institutes and research fellowships are all federally supported. The center program—I will have to find the breakdown on that.

Mr. FOGARTY. You can supply that for the record.

(The information requested follows:)

Title VI of the National Defense Education Act provides that the Commissioner of Education is authorized to enter into contracts with higher education to bear 50 percent of the cost of establishing language and area centers. In fiscal year 1962, Federal funds for the language and area centers were matched at a rate of \$1.9 to \$1 by institutions, being supported by \$2,080,000 in Federal funds and \$3,880,000 in institutional funds.

SHIFT IN EMPHASIS

Mr. FOGARTY. You mentioned at page 144 there is a change in emphasis on this part of the program. Tell us about that.

Mr. MILDENBERGER. That is in part A. Part A has an appropriation ceiling of \$8 million which must be divided among three activities: language and area centers, fellowships, and research.

In the 2 years we have been at our appropriation ceiling now, fiscal 1961 and 1962, we have been unable to allow the present centers that we are supporting to expand. We have had to hold them down almost exactly where they have been for 2 years.

Additionally this year, in view of the conditions in Latin America, we felt that we should expand our program into the Latin American field. We borrowed some money out of our fellowship fund and we tightened down on the existing centers in order to establish in January five new Latin American language and area centers.

Our problem we face next year is that we cannot hold the centers down any longer. They must be able to expand and so we are moving money out of research into the "Center" column and we are moving money out of "Fellowships" into the "Center" column in order to permit those universities to expand.

I think it is not only a matter of national interest but it is a matter of ethics. We invited these institutions to come in on a matching program and institute this curriculum in neglected languages and related area studies, but we haven't allowed them to expand. We have reached the point where we simply must change the emphasis in order to permit that expansion.

EDUCATIONAL MEDIA RESEARCH

Mr. FOGARTY. Now, for educational media, you are also requesting the maximum of \$5 million.

Mr. HUGHES. Yes, sir.

Mr. FOGARTY. I remember you said a few years ago this was one of the most important parts of the program.

Mr. HUGHES. Yes, it is.

Mr. FOGARTY. Give us some examples of good, worthwhile projects in research conducted since 1959.

Mr. FLYNT. I would start by mentioning two projects that are underway that we think are of great significance.

Mr. FOGARTY. I gave you a lot of latitude. I went back to 1959.

Mr. FLYNT. These two are recent. One is with the State Department of Education in the State of Oregon and the other is Penn State University. They have been given contracts to study the need for establishing centers of research in instructional materials with special reference to media and have been authorized to utilize other resources.

Mr. FOGARTY. What do you mean by "media"?

Mr. FLYNT. Of course, technically anything you use is a piece of media: A blackboard, a piece of crayon, but within the context of this program it is television, radio, and films principally. These are the three essential elements. Now, of course, it brings in other things such as teaching machines, a wholly new element called programmed learning in which the teaching machine is the center.

EXAMPLES OF RESEARCH PROJECTS

Mr. FOGARTY. Tell us about the project in Oregon. What are some of the beneficial results of such a program?

Mr. FLYNT. We have given a contract to the State Department to inquire into the feasibility and desirability of establishing one or more centers for media research, planning, and development, and they have been authorized to inquire of other State departments what the need is and how far it should be developed.

Now, the project at Pennsylvania State University is the same except its reference point is the college and university.

The very complex growth of systems of FM radio and educational television have come upon us so fast that we haven't been able to relate these activities through the ongoing program of instruction. They tend to stand off by themselves and not be thought of as integral parts of the instructional program. They tend to be peopled by specialists and the purpose of the contracts with these two institutions is to bring about some form of articulation and integration within the media field and between that program and the program of instruction in the schools and colleges.

The library has long been integrated in the instructional process. We have the school library and the school librarian as an integral part of the school operation.

The television and radio programs tend to stand off by themselves and to be manned by technicians who are not in the mainstream of educational operations. This is the great danger that the program does not really make its major contribution.

Mr. FOGARTY. What has been accomplished?

Mr. FLYNT. They have just begun. Since it is research we don't know what they will accomplish. They are yet, of course, to make their recommendations.

These are a couple of things, Mr. Fogarty, that might be thought of. Here is another. We have contracted with the National Cultural Center here in Washington (which you know about), for the purpose of ascertaining what role it ought to play in the field of education on a national basis, since it is intended to be a national institution. They have no funds to do this for themselves. As you may or may not know, educators in the fine arts have been very much concerned about the relationship of this Center to both the training of performers and the actual performers—the performing arts.

ADDITIONAL EXAMPLES OF RESEARCH

Mr. FOGARTY. You may supply two or three more examples for the record.

(The information requested follows:)

The major accomplishments to date have been in the area of instructional television. Teaching by television is effective at all levels of instruction, from elementary school to military training. The instructional research program of Pennsylvania State University has shown television to be as effective as conventional instruction in every instance, and materials learned by television were retained as well as those learned through conventional means of instruction. Studies conducted in the armed services have concluded that televised instruction is at least as effective as regular instruction, often more effective for lower aptitude groups, and remembered at least as well as regular instruction. Re-

sults obtained from a number of studies concerned with the effective uses of television in foreign language, such as those by the Massachusetts Council for Public Schools, show that under certain teaching conditions language instruction is not only possible but yields very satisfactory results, even in classrooms where a teacher has had no previous experience with the language. At the University of Houston evidence has been found that televised instruction is more effective with homogeneous classes than heterogeneous classes, that television teaching was an advantage for academically underprivileged groups, and that telecast instruction was one of the most rapid and effective supervisory means to bring improvement of curriculum content and teaching methods in the schools.

Other studies concerned with techniques for improving television programing (e.g., that conducted by the Metropolitan Pittsburgh educational television station in collaboration with the American Institute for Research and the Pittsburgh schools) have shown that student achievement can be increased significantly through the use of techniques which permit a student to become an active rather than a passive viewer, and that televised lessons can be much improved, in terms of student achievement, by pretesting them with small groups of students. Additional studies have demonstrated the utility of educational television in such widely disparate subjects as teacher education, orientation for preschool children, and speech improvement. A related accomplishment has been the prime stimulus and encouragement given educational television research efforts across the country, including experimentation which ranges from critical analysis of a single factor and its effect on learners to such broad scale and imaginative projects as the Midwest project on airborne television instruction and newly proposed educational television satellite systems.

REPORT OF RESEARCH ON THE MODERN LANGUAGE PROJECT OF THE MASSACHUSETTS COUNCIL FOR THE PUBLIC SCHOOLS

(This report summarizes the findings of "Summary of Research on 'Parlons Francais'," by Ralph Garry and Edna Mauriello, the final report on grant No. 719031.09, awarded to the Massachusetts Council for the Public Schools, Inc., under the provisions of title VII of National Defense Education Act.)

PURPOSE

The purpose of the study was to determine the effects of three factors (teacher fluency in French, type of student practice following a televised French course, and the use of a special teacher training series presented by television) on the achievement in French of fourth grade students viewing the television series, "Parlons Francais."

PROCEDURES

Forty teachers were classified as nonfluent or moderately fluent in French. One-fourth of each fluency group was then divided into four subgroups: (1) teachers instructed to view a special series of televised teacher training programs on the French series and to provide what appeared to them to be appropriate practice in French for their class after each "Parlons Francais" program; (2) teachers instructed to view the teacher training series, but to use tape recordings of sound track of the "Parlons Francais" program after the program in lieu of any followup work of their own; (3) teachers instructed not to view the teacher training series, but to provide followup activities; and (4) teachers instructed not to view the teacher training series, and to use the tape recordings in place of their own followup activities. These patterns of training and utilization were used throughout the school year 1959-60, with their effects tested at the end of the year by means of: (1) an objective test of word, phrase, and sentence recognition by all pupils; and (2) individual tests of pronunciation, rhythm, intonation, and spontaneous usage by a random sample of children from all 40 classes involved in the study.

FINDINGS

1. Roughly equivalent results in comprehension, pronunciation, rhythm, and intonation were obtained by teachers carrying on their classroom work in conjunction with the televised series for children, regardless of the fluency of the teacher. However, the total fluency (as measured by comprehension, pronunciation, and dialog scores) of children with moderately fluent teachers was higher than the total fluency of children with nonfluent teachers.

2. Regardless of whether or not a teacher was fluent in French, the children profited more from teacher-directed practice than from mere repetition of the sound track of the television programs on tape recordings. This held true not only for total fluency, but also for comprehension of spoken French.

3. The televised teacher training programs were not effective, as reflected in the achievement of the children whose teachers observed these programs.

IMPLICATIONS

This study indicates that the use of television for instruction in French will result in appreciable learning for pupils, even when the classroom teacher is not herself fluent in the language. However, even though a teacher is not fluent in the language, she appears to be essential for the selection and guidance of activities following the children's viewing of the programs if they are to learn effectively. It appears that appropriate practice in a foreign language is more likely to be provided by a teacher, however inadequately prepared in the language, than by a straightforward repetition of the content of the televised program.

The ineffectiveness of a half-hour televised in-service training program each week on the performance of the children is not unexpected. This finding does, however, indicate the need for additional investigation of the role of television and other training activities in upgrading teachers in the performance of their duties.

In summary, a television series in a foreign language, if prepared by experts, holds promise of overcoming many shortcomings of the teacher in the language, although the instructional skill of a professionally trained teacher is essential to make full use of the series.

EDUCATIONAL TELEVISION SATELLITE SYSTEM

Mr. FOGARTY. Tell us about the ETV satellite system mentioned on page 159.

What does ETV mean?

Mr. FLYNT. Educational television.

The National Aeronautics and Space Agency and the Federal Communications Commission have, along with ourselves, been interested in this problem which has been conceptualized by outside research groups that a fixed satellite might be stood up over the equator, say south of a center point of the United States which would be somewhere off the coast of Colombia in the Pacific Ocean. That is the centerline of the United States drawn southward. If the satellite could be hung there it could broadcast to the entire United States and to the entire world, as a matter of fact but particularly to the United States, Mexico, and Latin America. This has never been done but we are assured that it is technically feasible and both Administrator Webb and the Chairman of the Communications Commission are interested in joining us in going into this matter to see what it means. As you know, we have already approached some types of universal television dissemination in the form of the "Flying Classroom" which is now operative on private funds over the center of the United States. This one would be on a much broader basis. It has many problems. It is estimated to cost \$50 million on an experimental basis. They think they could put one up and keep it up for 5 years during which time you would find out what its meaning is.

CENTURY 21 EXPOSITION EXHIBIT

Mr. FOGARTY. What kind of exhibit are you planning at the Century 21 Exposition?

Mr. FLYNT. Congress appropriated the sum of \$70,000 to put in effect what is really a library materials exhibit there. This proved to be not quite enough. We supplemented that by an additional grant of \$12,000 which was available from our regular funds and have also granted another project to a university for \$27,000 and this is really to round out the project authorized by the Congress to establish a library of instructional materials of the latest type which may be viewed by all those who attend the fair.

Mr. FOGARTY. What will the entire cost be?

Mr. FLYNT. The entire cost to us is \$82,000 plus \$27,000, but there are other Federal costs. I believe the Federal Government is involved to the tune of sundry millions with which we are not concerned.

Mr. FOGARTY. I am just talking about the Office of Education now.

Mr. KELLY. About \$109,000.

APPROPRIATION

Mr. FLYNT. That is in excess of what was appropriated. It did not seem to be feasible to carry the project out at \$70,000?

Mr. KELLY. That is correct.

Mr. FOGARTY. When Congress appropriates a specific sum for something like this and it is thought to not be enough, who makes the decision whether you take funds away from some other program or come back and say it wasn't feasible and either ask for more or drop the project and return the \$70,000 to the Treasury?

Mr. FLYNT. Well, of course, part B of title VII would have authorized us to spend this money anyway. Both the \$27,000 and the additional \$12,000 would have been fully authorized.

Mr. HUGHES. The amendment offered in the Senate which increased the request for this appropriation was for \$100,000 and the amount was changed in conference with the House. The project was budgeted at \$100,000 when presented to the Senate committee.

Mr. FOGARTY. That is not a very good excuse, is it? I think you are getting in deeper now. It was \$100,000 and then when the two Houses of Congress got together, they decided on \$70,000, that only firms it up that Congress only intended that you spend \$70,000 on the project.

Mr. FLYNT. I think we feel, Mr. Chairman, that we had some benefits to get out of this program whether or not Congress appropriated anything anyway, because it was an eligible applicant under part B.

Mr. FOGARTY. Where would you get the money if we did not—

Mr. FLYNT. We already had the money. It had been appropriated.

Mr. PATEROS. Mr. Chairman, that second supplement is related more specifically to the use of films, closed circuit TV, electronic learning laboratories, and things of that sort, in a library environment. All of these things have been part and parcel of the title VII program since its inception. This provided a specific place for a specific project of this sort and that accounts for almost \$28,000 of \$119,000 right there.

Mr. HUGHES. I think we felt, sir, when we approved the program in the amount of \$82,000, to be sure we were going over the amount added to the appropriations, we were carrying out the integrity of the project which the Congress had in mind. The \$27,000 supplement is more or less a piggyback operation which we are taking advantage of through title VII to the benefit of the entire program.

Mr. FLYNT. We have added some elements to the project. Part B, title VII is the demonstration phase. That was not intended to reach a sundry million people to attend the project, but it would provide some sort of viewing of films, associated television, reading accelerators and program-learning devices; it would in our judgment be most desirable.

Mr. FOGARTY. I think you are getting in deeper the longer you talk. I think next time you better pay some attention to what the conference report says, and what Congress appropriates.

Mr. FLYNT. I think we will be able to show, Mr. Chairman, that only \$70,000 is being expended for the purposes for which it was appropriated. We would have full authority to approve the \$27,000 proposal whether the \$70,000 had ever been appropriated or not because it was for quite a different purpose.

Mr. FOGARTY. Maybe if we had known that we wouldn't have appropriated \$70,000.

GRANTS TO STATES FOR AREA VOCATIONAL PROGRAMS

You are requesting \$15 million, the maximum authorization for Area Vocational Education.

1962 APPROPRIATION

What was the budget request for fiscal year 1962?

Mr. ARNOLD. \$12.8 million.

Mr. FOGARTY. I said what was the budget request for fiscal year 1962?

Mr. HUGHES. \$11.8 million.

Mr. FOGARTY. And Congress appropriated \$12.8 million. We gave you \$1 million more than the budget request.

What could have been used to advantage in fiscal year 1962 if it was available?

Mr. ARNOLD. Do you mean beyond or within the \$15 million appropriation, Mr. Chairman?

Mr. FOGARTY. Both.

Mr. ARNOLD. Based on the estimated need for technicians; today, this program could well be tripled, in terms of meeting the total need for technicians in this country, on just a simple basis of a ratio of one technician to one engineer.

Mr. FOGARTY. I would like to be more practical than that. You have to take into consideration what the States can match. The States would not match a tripled program, would they?

Mr. ARNOLD. Hardly.

Mr. FOGARTY. Take into consideration what the States could match, in your opinion, and tell us what could be used to advantage.

Mr. ARNOLD. Well, the program, of course, would be entering its fifth year in this coming fiscal year and the States have been——

Mr. FOGARTY. I am talking about fiscal year 1962 now.

Mr. ARNOLD. You are talking about the current year, in the \$12.8 million?

Mr. FOGARTY. Yes.

Mr. ARNOLD. Well, it is our best estimate now that all of the funds will be used, particularly because of the rapidly expanding development of area schools throughout the country, such as I was describing in North Carolina. I think it was estimated earlier that greater amounts could not be used because of the difficulty in getting new facilities and new space. It is a difficult program to get underway but it is moving quite rapidly now.

Mr. FOGARTY. See if you can answer the question. What does it now appear could be used to advantage in 1962 if it was available in place of \$12.8 million? What do you think could be used if we made the money available?

Mr. ARNOLD. On the basis of reallocation to those States that can use the funds, I do not think there is much question but what the maximum could be used, but this would be absorbed perhaps by a dozen to 20 States that are leading the other States pretty far in development of the programs. It appears now the \$12.8 million will be used in full, but if we were to have the \$15 million, I do not think there is much doubt but what it would be used through a reallocation system which would expend the money in perhaps 12 to 20 States that are leading in the development of the program.

Mr. HUGHES. There are a few States, such as California and Connecticut, maybe another one, where the needs in the particular State in terms of their readiness to use them are quite in excess of the maximum authorization under the \$15 million, and through repetitive reallocations you would be able to use up a substantial amount.

COMMITTEE REPORT REGARDING 1962 PROGRAM

Mr. FOGARTY. We said in our report last year that it was testified there was considerable doubt that the States would match more than the amount that was contained in the budget.

The committee is disappointed that the Office of Education has not taken a more active part in encouraging the expansion of this very important activity. The committee feels that there is a sufficiently widespread recognition of the importance and need for training programs and for the retraining of workers displaced by authorizations, migration of industry, and other economic developments, that there will be no difficulty in putting these additional funds to very effective use.

What have you done as a result of this statement on the part of the committee?

Mr. ARNOLD. Well, last spring we conducted a series of seven conferences across the country. We met more than 500 State and local leaders in this program, in the further promotion of it, and in the development of quality programs. Beginning next week there will be another series of seven conferences across the country on curriculum development and evaluation and the training of teachers to further promote the program.

I might show you, Mr. Fogarty, this is the kind of thing that is being developed in the States to assist the States. These are curriculum guides that have been done under contract with the Office [in-

dicating]. In this case, these two were developed in the Technical Institute Division of Oklahoma State University. There are presently three other curriculum guides being developed to assist the States. Lack of this kind of material has been one of the obstacles in getting programs underway.

Mr. FOGARTY. The reason I read that part in the record was that I did not think you were doing much about it. You did not even mention it under the heading of "Significant Recommendations" in the committee reports in your justifications. You did pick out something from the Senate report, but you apparently overlooked the House report.

Mr. KELLY. Let me say, Mr. Chairman, I think we are quite responsive to it. Mr. Denton asked a question the other day which I think touches on this.

Mr. FOGARTY. Isn't that so, what I said about your justifications? You do mention, on page 90, something about what the Senate had to say, but you do not refer to this at all. I just assumed you didn't consider this significant.

Mr. KELLY. We certainly should have. That page was intended to comment on all of the significant aspects of the congressional action.

But I think we were responsive in that this year we have come up with the full authorization, and in response to a question by Mr. Denton why we don't try to increase that authorization it was our feeling that we would make more progress through the manpower bill, which would allocate funds for vocational training—not in accordance with the population of the States but in accord with unemployment, underemployment, and specific economic conditions of States, but I think there is a substantial agreement with you that there is a need for some device that will take people who are unemployed and without skills and give them the skills that allow them to compete in the employment market.

Mr. FOGARTY. Well, the lack of it in the justifications wasn't because you thought we would forget about it?

Mr. KELLY. No, sir.

PROGRAM POTENTIAL IN 1963 AND EXAMPLES OF CURRENT PROGRAMS

Mr. FOGARTY. Do you have any estimate of how much could be matched in fiscal year 1963 if there wasn't a legislative limitation?

Supply it for the record. Supply also for the record some examples of different programs set up with these funds.

(The information supplied follows:)

It is estimated that the States are prepared to match from \$20 to \$25 million for the area vocational program in 1963. This estimate is based on the assumption that unused funds by some States will be used by at least 12 States whose needs are much greater than their original allotments.

Since technical training under this program is geared to the national defense, it follows that needs are greater in those States holding major defense contracts.

EXAMPLES OF GOOD PROGRAMS UNDER TITLE VIII OF THE NATIONAL DEFENSE EDUCATION ACT

The Technical Institute at Norwalk, Conn., opened in September 1961 with one of the finest installations for training in the technologies in the country. Two-year intensive training programs are offered in the chemical, electrical, electro-

mechanical, mechanical, and metallurgical technologies. At the present time about 400 are enrolled in these courses. It is expected that the school will soon enroll about 1,200.

Title VIII funds have been used at the Nebraska Vocational-Technical School at Milford to provide training in the technologies as well as in the trades. Funds were used to update the equipment and employ instructors qualified in the new fields. Courses are offered in electronics, mechanical, and metal technologies.

The Nebraska Legislature recognized the merits of the school's new program and has appropriated funds for new buildings which will be completed by 1963. Some are already in use. The redirection and further development of a school's program in this case is a significant contribution of title VIII in a region of the United States with few training facilities in the technological field.

The Burlington Industrial Education Center, Burlington, N.C., is an example of assistance given a State by title VIII in carrying out a long-range vocational training program. As a result of a statewide survey, North Carolina had decided to establish 20 centers to offer such training. The Burlington center is one of 15 now completed and in operation. Title VIII funds were used at this school to assist with preparatory post-high-school curriculums in electronics, mechanical, chemical, and data processing technologies. Because of the availability of title VIII funds the North Carolina State Legislature appropriated large sums to provide one of the best data processing installations in the country. Classes started in September 1961 for the preparation of programmers. A substantial portion of the time of data processing equipment is used for updating of persons presently employed in this type of work.

LIMITATION TO HIGHLY SKILLED TECHNICIANS

Mr. FOGARTY. Have you gotten over this problem of limiting the program to training highly skilled technicians?

Mr. ARNOLD. I might say, Mr. Fogarty, in this connection there is presently being printed this document, in the Government Printing Office now, describing what we call here the occupational criteria for identifying the highly skilled technician; then an additional part in this publication, dealing with curriculum patterns for training such technicians. This document, incidentally, has been cleared with a group of labor men here with whom we meet.

Mr. FOGARTY. Are you getting along pretty well?

Mr. ARNOLD. Very well. They are very helpful to us.

GRANTS TO STATES FOR STATISTICAL SERVICES

Mr. FOGARTY. The last category is "Grants to States for statistical services," for which \$1,700,000 is requested. This program has been one of the slowest to develop. Why is that?

Mr. HUGHES. The problem here, sir, is closely related to the matching problem on two scores. One, the temporary nature of the program and, secondly, the difficulty the States have experienced traditionally in getting funds from their legislatures to match Federal appropriations.

Mr. FOGARTY. How many States are in position to match the maximum of \$50,000?

Mr. FLYNT. Sixteen States were in position in 1962, it would appear.

Mr. FOGARTY. Will you list them for the record?

Mr. FLYNT. Yes, sir.

(The information requested follows:)

DEFENSE EDUCATIONAL ACTIVITIES, TITLE X—GRANTS TO STATES FOR STATISTICAL SERVICES

States matching \$50,000 in 1962: California, Colorado, Florida, Georgia, Hawaii, Illinois, Iowa, Massachusetts, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island, Texas, Washington, and West Virginia; total, 16.

Mr. FOGARTY. Have you an estimate for 1963?

Mr. FLYNT. It is found on page 178.

Mr. FOGARTY. How many?

Mr. FLYNT. I would have to count them.

Mr. FOGARTY. Put those in the record, also.

(The information requested follows:)

DEFENSE EDUCATIONAL ACTIVITIES, TITLE X—GRANTS TO STATES FOR STATISTICAL SERVICES

States matching \$50,000 in 1963: California, Colorado, Florida, Georgia, Hawaii, Illinois, Iowa, Maine, Massachusetts, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas, Washington, and West Virginia; total, 18.

Mr. FLYNT. May I say the limitation of \$50,000 per State is quite a severe one. A number of States are matching that five, seven, and eight times over. For example, Florida, which can get only \$50,000, is putting in \$300,000 of its own money.

EXAMPLES OF BENEFITS FROM EXPANDING STATISTICAL SERVICES

Mr. FOGARTY. Supply for the record some tangible benefits that have resulted from this part of the program.

Mr. FLYNT. Yes, sir. I have a chart here which shows that.

(The information requested follows:)

Progress by the State educational agencies in improving and expanding statistical services may be grouped into the following seven major categories:

1. *Continued evaluation of statistical services.*—The original evaluation of existing statistical services made by each participating State, either as a part of the original State plan or as an activity to be completed during the initial implementation of the plan, has provided a framework for a continuing evaluation of such services.

2. *Improvement of organization for statistical services.*—As a result of the continued evaluation, many States have recognized the need for a redefining and clarifying of the responsibilities and procedures for collecting, verifying, processing, analyzing, and disseminating statistical information in order to insure minimum burdens on the suppliers of information, maximum assistance to the education specialists in the agency, and maximum value to the users of the statistics. This process has generally pointed up the importance of organization for the provision of statistical services and, in a number of States, has resulted in some reorganization in order to provide a unit responsible for agencywide statistical services.

3. *Addition of personnel for statistical services.*—All of the States have recognized the importance of building a statistical services staff of high quality and of adequate size to implement with success the improved and expanded program.

4. *Improving the recording and reporting of statistics.*—State agencies are working closely with local school systems on improving the accuracy and timeliness of records and reports. Basic to this improvement is the continued effort for increased comparability of data, as exemplified by the specific items contained in the cooperatively developed handbooks of standard terminology and units of measure.

5. *Improving the verifying, processing, storage, and retrieval of statistics.*—This program has materially assisted the State agencies in the development of a

complete systems approach to the statistical services. Basic to this approach is the use of automatic and electronic data processing equipment. Over 45 States have either installed or expanded automatic data processing systems, and 37 of these have done so under this program. Several States are working toward development of systems which will make possible the transmission of data from the local school units to the State agency in machine-usable form.

6. *Improvement of the analysis and interpretation of statistics.*—State educational agencies have long recognized the need for more complete analysis and interpretation of basic data collected. By providing special assistance for the collecting, verifying, and processing of statistical information, the State title X programs have relieved the education specialists of the State agencies from much of the tedious but necessary work formerly required and thus freed them to devote more time to the analysis and interpretation of the information.

7. *Improvement of the dissemination of statistics.*—State agencies recognize that the information is collected on the premise that it will be of use. The dissemination of the analyses and interpretations of statistics, therefore, and the resulting improvement of individual, group, and community knowledge about education throughout the State are the goals toward which all State agencies are striving. New equipment has speeded up the processes of printing and reproduction and modern techniques are being utilized for the graphic presentation of information.

STUDENT LOAN REPAYMENTS

Mr. DENTON. Does this money you collect from student loans go into a revolving fund, or into the Public Treasury?

Mr. PATEROS. That goes back to the student loan funds at the institution, and the act has a termination date when a full accounting of all money put in by the Federal Government and the institutions will be made.

Mr. DENTON. Is there anything in this act to reappropriate money which has been collected that way?

Mr. HUGHES. Once it goes back into the loan fund, it is then available to the institution for further loans.

INDIANA SCHOOLS NOT PARTICIPATING IN NDEA

Mr. DENTON. I would like to know what schools in Indiana are not participating in the National Defense Education Act.

Mr. MILDENBERGER. You mean the loan program?

Mr. DENTON. The whole National Defense Education Act. Have you a list of those?

Mr. MILDENBERGER. We have lists of institutions which are participating, and we can assemble such a list for the loan program and the other programs. We can show those which are or those which are not, and submit that for the record.

Mr. DENTON. All right. That is all.

(The information requested follows:)

Accredited institutions in Indiana not participating in any National Defense Education Act program:

Capuchin Seminary of St. Mary, Crown Point ¹	John Herron Art School, Indianapolis ¹
Concordia Senior College, Fort Wayne ¹	<i>St. Benedict College, Ferdinand</i>
DePauw University, Greencastle	<i>St. Francis College, Fort Wayne</i>
Fort Wayne Art School, Fort Wayne ¹	St. Meinrad Seminary, St. Meinrad
Franklin College of Indiana, Franklin	Tri-State College, Angola
Hanover College, Hanover	Wabash College, Crawfordsville

¹ Under special provisions nonaccredited institutions which may come into program.

NOTE.—Italicized institutions applying for participation in title II next year.

DROPOUT OF STUDENTS WITH FELLOWSHIPS

Mr. MARSHALL. Last year I asked concerning the dropouts of students having fellowships. What has been your experience now? How many have dropped out?

Mr. MILDENBERGER. In the title IV fellowship program?

Mr. MARSHALL. Yes.

Mr. MILDENBERGER. After some experience, we see that the rate of attrition is approximately 7 percent; 7 percent of the fellows drop out of the program. I have some figures on their reasons.

UNIVERSITIES NOT PARTICIPATING IN FELLOWSHIP PROGRAM

Mr. MARSHALL. How many universities are now not taking part in the program?

Mr. MILDENBERGER. I will have to figure that out for you and provide it for the record.

(The information requested follows:)

INSTITUTIONAL PARTICIPATION IN TITLE IV PROGRAM

1. Total number of institutions considered eligible; 191.¹
2. Total number of institutions with one or more approved programs; 165.
3. Institutions with approved programs as a percentage of total eligible institutions; 86 percent.
4. Total number of institutions that have applied for title IV support; 209.²
5. Letters of invitation to apply for allotments of title IV fellowships are sent annually (in May) to all participating institutions and to all other institutions of higher education which grant the master's degree or doctor's degree but have not yet received title IV support.

REPAYMENT OF STUDENT LOANS

Mr. MARSHALL. Have the universities experienced any difficulty in collecting on their student loans?

Mr. MILDENBERGER. They are just beginning to get experience in the business of collecting loans. We have not heard yet of any undue difficulties. However, this year we will be watching closely, because there will be a considerable volume of loans due, and we will be studying the results for this current academic year.

Mr. PATEROS. Our audit program, Mr. Marshall, although limited in the number of places we have been able to go, reveals that, rather than delinquencies, the schools are experiencing accelerated payments. Students are paying off much faster than the repayment schedule called for.

¹ This is the total number of (1) participating institutions, plus (2) nonparticipating institutions which offer doctoral degrees in fields of study supported under title IV. While institutions which do not offer doctoral degrees are not eligible by themselves for title IV support, they are eligible to apply jointly with a doctoral institution for support of a cooperative program leading to the doctorate.

² This number is higher than the total number of eligible institutions because we have received applications from schools of medicine, theological schools, and master's degree institutions (for cooperative programs). Such institutions are not counted among the number eligible.

LOCAL EXPENDITURE OF NATIONAL DEFENSE EDUCATION ACT FUNDS

Mr. MARSHALL. About a year and a half ago when I went home after Congress adjourned, I ran into a school board member, a very active person, who was greatly disturbed over the operation of the National Defense Education Act as it affected the schools. He told me that he thought the program may have been started with good intent, but it certainly was not working out that way. When schools are building their science departments, getting equipment, and so on, that money grant is given to them through the State board of education.

Mr. PATEROS. That is right, sir.

Mr. MARSHALL. What jurisdiction do you have over State boards of education to see that this money is properly used for the purpose that Congress provided it? What are your responsibilities in that regard?

Mr. HUGHES. May I say, in general, there are two things the Office of Education does to insure that the funds received by the State are spent for the purposes intended by the Congress. The first and fundamental step is to get from the State a plan in which they outline the methods of operation and the financing arrangements they choose to make with their local school districts in carrying out the purposes, and stating clearly what the supervisory responsibilities of the State will be. Also, we have issued, as a part of that general operation, regulations and procedures which guide them as to the specific purposes for which funds are available.

Secondly, we work with the States in the administration of the programs and respond if any questions of interpretation come up. We get reports and review their operations and straighten out any questions of interpretation which exist.

Mr. LUDINGTON, would you care to add to that general answer?

Mr. LUDINGTON. Following this, the Department audits and reviews the expenditures reported to our office in earning the Federal allotment.

Mr. McMURRIN. May I make a comment here, Mr. Marshall? I have advised the State school officers that we stand ready at any time to review the plans they currently have in operation, in the event they themselves find those plans unsatisfactory and would like to submit revised plans. I think we have not actually had a revised plan submitted recently, have we, Mr. Ludington?

Mr. LUDINGTON. Yes. In the course of the administration thus far, States have amended or otherwise revised sections of their plans. When Congress extended this act for 2 additional years, some of the States, because of legislative provisions which were encountered at the outset, have rewritten and thereby revised certain sections of the plan.

Mr. McMURRIN. Our experience, incidentally, has been that most of those we have encountered—I should speak only for myself, but I think it is true of my colleagues—which have in any way been unhappy about the program, were unhappy largely due to the fact that these controls do exist to make sure that the funds are spent for the purposes for which they were provided by the Congress.

MR. MARSHALL. Have any specific instances been called to your attention where people have raised their prices of equipment, supplies, and so forth, due to funds being available under the National Defense Education Act?

MR. LUDINGTON. May I speak to that? I am glad to get this point on the record. From time to time there are rumors and discussions of this aspect of the program. I am speaking now with reference to price increases on eligible equipment since the National Defense Education Act was passed. We began to hear some talk of this. Our investigation indicates that even prior to the National Defense Education Act, some of the companies which were supplying these kinds of equipment had, as early as 1950 to 1954, gradually increased certain of their prices. We have kept a running log on some of the common items purchased, and it is true that prices of these items of equipment, as well as other things being purchased, even books, are increasing gradually each year. On some items of equipment which have been redesigned or new materials incorporated in the product being produced, these prices are more than the usual 3 or 5 percent which we encounter. In some instances the unit prices have remained the same; in some few instances the prices have gone down.

The law does not give the Department or the Office any authority to regulate prices, and I do not think we want such authority, nor does it give the States responsibility to regulate prices. But we do urge prudence in the expenditure of these funds through the projects the States approve.

I might say to date I think we have had fewer than 12 letters written to us or to us through Members of Congress on price matters, and we have investigated each and every one of these.

I think the matter gets back in part to State and local regulations and procedures involving the purchasing of items used in schools. We feel that some advantages could be gained by bidding practices. We think some advantages could be gained in the normal administration of school programs by shopping around, by comparing, by writing specifications on items more specifically, seeing to it that what they get is in terms of those specifications.

I think you or someone referred to us a letter from a school board group in Minnesota, if I may speak to that. They are concerned, as we are concerned, about the overall price problem, even though we do not feel that these prices generally for NDEA items are grossly out of line.

In the particular letter I have on my desk, 11 of the items cited as examples are not eligible under NDEA at all. They fall in the area of consumable supplies—reagents and compounds which are used in the course of demonstrations and experiments. Our regulations prohibit Federal participation in the cost of these, and the Minnesota State plan does, likewise.

Three items of equipment are listed. One is a specialized piece of centrifugal force apparatus, and by the description we cannot tell, because in vendors' catalogs there are several types of items listed under this general heading. I forget the specific price increase, \$9.75 to \$11.25, or something like that. The percentage is larger than 5 percent and, therefore, startling.

One of the other two items cited, as I remember them, is manufactured only by one company. There was a price increase between 1960 and 1961, but the 1961-62 catalog we checked keeps the price constant.

I know some critics are inclined to say that these prices are all due to the National Defense Education Act. We do not feel we can subscribe to that, because there has been a general upsurge in interest in science on the part of elementary and secondary schools, on the part of colleges and universities, business, industry, and Government. NDEA has probably contributed to some portion of the problem, but I think the industry itself was caught short in terms of the development in the field of science which NDEA and other activities have brought about.

OFFICE OF EDUCATION'S RESPONSIBILITY REGARDING PRICES PAID

Mr. MARSHALL. Actually, the situation boils down to this, as I understand it: The funds which are provided by the Congress to the Office of Education for such things as laboratory equipment for science departments, and so forth, are distributed to the States on the basis of a formula which you use?

Mr. LUDINGTON. That is right.

Mr. MARSHALL. You also outline to the States, in giving them the money, the standards which the Congress has set up so they will spend it within those limits.

Mr. LUDINGTON. For those purposes, specialized equipment.

Mr. MARSHALL. Up to that point, you have a responsibility.

Mr. LUDINGTON. Yes, sir.

Mr. MARSHALL. If people should dissipate those funds through paying exorbitant prices, your responsibility ceases there. You have no legal responsibility for that.

Mr. LUDINGTON. That is right, Mr. Marshall, but at each of our meetings and visits with the States, we urge them to be alert to purchasing and selling practices so, if local school districts can profit by purchasing practices used in other school districts, this type of knowledge ought to be made available.

EXAMPLE OF ALLEGED NDEA EFFECT ON PRICES

Mr. MARSHALL. I would like to place in the record a statement so we can have a specific example in the record concerning it.

I received a letter from the Minnesota School Board Association calling my attention to the feeling that they have concerning the increase in school costs, which they attribute in part to the National Defense Education Act. They informed me that at a State meeting they passed a resolution that they did not wish any extension of the Federal Aid to Education. They have sent me a list of materials which they have purchased, some of them showing as large an increase as 63 percent in 1 year. I shall place that in the record, and would like comments on it by the Office of Education.

(The document referred to follows:)

	Amount	Old price	New price	Percent increase
Mg Soy.....	1 pound.....	\$1.11	\$1.37	23
Co C12.....	1 pound.....	3.89	4.75	22
Cm Soy.....	1 pound.....	1.53	2.02	32
(C2 H5)O2.....	1 pound.....	.84	1.37	63
HCL.....	5 pints.....	3.75	5.00	33
Litmus paper.....	Gross.....	12.00	14.08	16
Mg Metal.....	1 ounce.....	1.16	1.88	60
KSCN.....	1 pound.....	3.14	3.68	14
NaNo3.....	1 pound.....	1.32	1.55	17
Zn Metal.....	1 pound.....	2.07	2.43	17
Centrifugal force apparatus.....		7.00	10.15	45
71848 Atomotron.....		9.95	11.95	20
71846 Atomotron.....		19.95	19.95	0

The first 10 items listed (some of which are not correct chemical symbols) are consumable materials and are ineligible under the title III regulations and the State plan as noted below.

Under the regulations established pursuant to the eligibility of specialized equipment and materials for Federal financial participation on a matching basis, the following definitions apply:

"Section 141.1(f) "Equipment," eligible for purchase through projects, means fixed or movable articles, not an integral part of a building, which are particularly appropriate for providing instruction in science, mathematics, or modern foreign language, and which are to be used by teachers in teaching or by students in learning in such courses in an instructional situation in a classroom or laboratory in an elementary or secondary school. The term does not include ordinary storage facilities, furniture or equipment which are appropriate for furnishing or equipping general classrooms. "Equipment" includes "materials," as that term is defined in paragraph (i) of this section, and audiovisual equipment, such as motion picture and slide projectors and recording equipment to be used in instructional programs of science, mathematics, or modern foreign language.

"Section 141.1(i) "Materials" means films, filmstrips, slides, tapes, discs, and recordings; books, pamphlets and periodicals for reference use (other than textbooks, as defined in paragraph (t) of this section), and other printed materials, such as maps and charts, which are particularly appropriate as media for instruction in the fields of science, mathematics, or modern foreign language or one of the branches of one of them. As distinguished from supplies, materials are items which with reasonable care and use may be expected to last for more than one year. (For example, chemicals and other supplies which are consumed in use may not be purchased under this program.)"

This same statement is found on page 4, paragraph 5, of the State of Minnesota "Guide for Equipment, Materials, and Minor Remodeling, title III," filed with the Office of Education as part of the State plan, May 19, 1959.

With reference to the prices set forth for the chemicals listed, there is evidence which indicates that even though the quantities ordered are small, better prices could have been obtained from other vendors. At least two vendors (1962) catalogs list 5 pints of HCl at \$2.90 and \$3.06, whereas the price quoted in the list before the committee for 1961 was \$5.

One gross of litmus paper is reported to have increased from \$12 in 1960 to \$14.08 in 1961. Comparison of three 1962 catalog list prices shows \$12, \$8, and \$11.52 for this item.

The chemical prices indicated appear to be for the highest quality grade marketed and that savings would have been possible if a commercial quality or laboratory or technical grade had been purchased.

The item of equipment listed as "Centrifugal Force Apparatus" is difficult to identify, since several different types of equipment are included in various vendors catalogs under this general heading.

The "Atomotron" is a trade name item developed by one company. There appears to have been a \$2 increase between 1960 and 1961 on one model; however, the 1962 prices have remained the same as those quoted for 1961.

The Minnesota State Department of Education is now engaged in a survey of equipment prices, and the results will be made available soon.

Mr. MARSHALL. Furthermore, I would like to quote from this letter and would like some comment about that.

So that you are fully acquainted with how this program works in Minnesota, let us review the procedure for participation. The school board decides that they will participate. The superintendent of schools makes the actions of the school board known to the State department of education. The State department of education sends the application forms to the superintendent of schools and along with this a list of materials and equipment that must be used to qualify for assistance under the National Defense Education Act. This in itself is a limiting factor as far as the purchase of materials and equipment is concerned. The school board in many areas of the program is limited in what equipment they can use. This ties up the school business for some firms in pretty good shape. The application forms are then sent back to the State department of education. If the program is approved, the school district is notified to proceed with the purchase of materials and equipment. After the materials and equipment are purchased and delivered, the school board must cash up the money to pay for the purchase. They then notify the department that the purchases are made, and then the purchases are audited by the department of education. After the audit is made and is approved by the department, the National Defense Education Act moneys are paid. This is sometimes on a quarterly basis, sometimes on an annual basis, and I talked with one district that waited in one instance 14 months. This is not the rule, however, but it was the case. In the meantime, the school district moneys are tied up in paying for the purchases of a program approved by the department of education under the National Defense Education Act.

There is another problem of major consequence. A school district applies for assistance. The board approves and goes ahead with the plans. At the time of board approval the board has every indication that it will receive from 40 to 50 cents on the dollar. After all the redtape has been taken care of, this return to the school district can be as low as 11 cents. This is quite a shock to school boards and their financial ability to operate the school district. A budget does not mean much in a case of this type.

I would like you to place in the record an answer to what is bothering these people out in Minnesota. I might say I received this letter from the secretary of the Minnesota School Board. I know a number of the directors and a number of the members of the Minnesota State School Board Association. I know them to be a reputable organization and I know them to be public-spirited people. I would appreciate it if you would place an answer in the record at this point.

Mr. McMURRIN. We shall be very happy to do that, Mr. Marshall, and in doing so give a clear description of the manner in which the Office undertakes to cooperate with the States in guaranteeing that the intent of Congress is carried out in the administration of the law. We shall be very pleased to give you a full account of that.

Mr. MARSHALL. Thank you very much.

(The information requested follows:)

The National Defense Education Act provides that "the State educational agency will be the sole agency for administering the plan" and that local educational agency projects are to be approved by the State agency in accord with priorities and equipment standards established on the State level.

The Minnesota State plan stipulates that local school boards must adopt a resolution to participate in the program and submit a project application indicating their desire to acquire specialized laboratory equipment and materials for science, mathematics, or modern foreign language instruction. After notification of approval of the project, the local board purchases the equipment through its normal purchasing channels and files its claim for reimbursement with the State educational agency.

Title III regulations (sec. 141.16) provide that funds allotted to the State may be transferred to local educational agencies either in advance or as reimbursement in amounts not to exceed the cost of approved projects.

Section 4.4 of the Minnesota State plan is as follows:

"The percentage of Federal funds of total projects costs will be determined on the basis of the equalized assessed valuation which is the adjusted valuation established by the equalization aid review committee. The following formula has been established by using 1957 EARC figures based on 1958-59 pupil units as published by the Minnesota Department of Education in selected data of March 1960.

The formula

Group	EARC resident	Valuation per pupil unit	Number of districts	Percent local participation	Percent Federal
I.....	Over.....	—\$10,000	68	60	40
II.....	\$7,500.....	—10,000	100	55	45
III.....	\$5,500.....	—7,499	117	50	50
IV.....	\$3,500.....	—5,499	104	45	55
V.....	Below.....	—3,500	86	40	60
Total.....			474		

"The Federal share of funds for approved projects will normally be paid only after the project has been completed and evidence must be submitted that delivery of equipment or materials or remodeling in whole or in part has been completed. The evidence shall consist of an invoice of expenditures which has been verified by the supplying or contracting firm and by the head of the local educational agency. The Federal share for the project will be advanced only to a local educational agency if acceptable evidence is submitted that the project will be facilitated if Federal participation funds are advanced. The advance shall not exceed 75 percent of the Federal funds involved."

This method of operation has been chosen by the State of Minnesota and incorporated in its State plan for title III in accordance with the provisions of the act.

The basic administrative provisions for title III are set forth in sections 303(a) and 1004 of the statute as follows:

"SEC. 303. (a) Any State which desires to receive payments under this title shall submit to the Commissioner, through its State educational agency, a State plan which meets the requirements of section 1004(a) and—

"(1) sets forth a program under which funds paid to the State from its allotment under section 302(a) will be expended solely for projects approved by the State educational agency for (A) acquisition of laboratory and other special equipment, including audiovisual materials and equipment and printed materials (other than textbooks), suitable for use in providing education in science, mathematics, or modern foreign language, in public elementary or secondary schools, or both, and (B) minor remodeling of laboratory or other space used for such materials or equipment;

"(2) sets forth principles for determining the priority of such projects in the State for assistance under this title and provides for undertaking such projects, insofar as financial resources available therefore make possible, in the order determined by the application of such principles;

"(3) provides an opportunity for a hearing before the State educational agency to any applicant for a project under this title;

(4) provides for the establishment of standards on a State level for laboratory and other special equipment acquired with assistance furnished under this title;

"(5) sets forth a program under which funds paid to the State from its allotment under section 302(b) will be expended solely for (A) expansion or improvement of supervisory or related services in public elementary and secondary schools in the fields of science, mathematics, and modern foreign languages, and (B) administration of the State plan.

"(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

"SEC. 1004. (a) No State plan submitted under one of the titles of this act shall be approved by the Commissioner which does not—

"(1) provide, in the case of a plan submitted under title III or under title V, or section 1009 of this title, that the State educational agency will be the sole agency for administering the plan;

"(2) provide that such commission or agency will make such reports to the Commissioner, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his duties under such title or section; and

"(3) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under such title or section.

"(b) The Commissioner shall not finally disapprove any State plan submitted under this act, or any modification thereof without first affording the agency administering the plan reasonable notice and opportunity for a hearing.

"(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the agency administering a State plan approved under one of the titles of this act, finds that—

"(1) the State plan has been so changed that it no longer complies with the provisions of this act governing its original approval, or

"(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Commissioner shall notify such State agency, in the case of a plan submitted under title III or V or section 1009 of this title, that no further payments will be made to the State under such title or section (or, in his discretion, further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is satisfied the Commissioner shall make no further payments to such State under such title or section, as the case may be (or shall limit payments to programs under or portions of the State plan not affected by such failure)."

As required by section 303(a)(3) of the act, the Minnesota State plan provides for a hearing before the State educational agency for any applicant for a project under title III. The Commissioner of Education is prohibited from taking any action against a State agency unless he is advised of the State's failure to comply with its State plan, conducts a hearing under the provisions of section 1004(c) and makes a finding that the State has failed to comply with the provisions of its State plan.

Procedures followed by the Office of Education in cooperation with the States to assure that the intent of Congress is carried out in the administration of title III of the National Defense Education Act include:

Review of certified State plans to determine conformance with requirements of the act and inclusion of annual descriptions of projected activities.

Convening of national and regional conferences to interpret the act and the accompanying regulations to assist States in the formulation of State plans.

Convening of regional conferences of State administrative and program officials to discuss problem areas.

Conduct of annual program reviews in cooperation with State program administrators to assure compliance with the provisions of the act and the regulations.

Consultative services to States upon request and in terms of specific problems which arise.

Issuance of interpretive policy bulletins from time to time to State personnel responsible for the administration of State plans.

The alerting of all chief State school officers to report any irregularities in selling or purchasing practices. State and local laws and policies govern purchasing procedures in the acquisition of equipment under approved projects.

Investigation of any irregularities reported to the Office of Education, and depending upon circumstances, referring cases to the appropriate Federal agency for action.

Conduct of a series of regional financial management and audit clinics for State officials responsible for State grant programs to assist States in the development of appropriate procedures for such matters as:

1. Annual financial, statistical, and narrative reports of program activities submitted to the Office by the States.

2. Submission by local school districts of projects itemizing instructional equipment and materials they propose to acquire to the State educational agency for approval in terms of State-established priorities and standards, and certification that the equipment is to be acquired for strengthening science, mathematics, and/or modern foreign language instruction in public elementary or secondary schools.

3. Review by State agencies of local agency claims for reimbursement and supporting documentation of expenditures made in accordance with approved projects.

4. Audits of State and local expenditures involving Federal financial participation as provided in State plans.

Provision for audit of program expenditures in each State by the Division of Grant-in-Aid Audits of the Department of Health, Education, and Welfare.

GRANTS FOR EXPANSION OF TEACHING IN THE EDUCATION OF THE MENTALLY RETARDED

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Grants to institutions of higher education-----	429	430	430
2. Grants to States-----	564	570	570
Total program costs—obligations (object class 41)-----	993	1,000	1,000
Financing: Unobligated balance lapsing-----	7	-----	-----
New obligational authority (appropriation)-----	1,000	1,000	1,000

Mr. FOGARTY. We will place your statement on grants for expansion in education of the mentally retarded in the record at this point.
(The statement follows:)

STATEMENT BY COMMISSIONER OF EDUCATION ON EXPANSION OF TEACHING IN EDUCATION OF THE MENTALLY RETARDED, OFFICE OF EDUCATION

An amount of \$1 million is requested for 1963 to continue the implementation of Public Law 85-926, which is designed "to encourage expansion of teaching in the education of mentally retarded children through grants to institutions of higher learning and to State educational agencies." Public Law 85-926 was approved on September 6, 1958, and has been implemented by an appropriation of \$1 million (the maximum amount authorized) each year since fiscal year 1960.

Throughout the years, the greatest single barrier to the expansion of education services for mentally retarded children has been the lack of qualified teaching and supervisory personnel. The program developed under Public Law 85-926 is already giving promise of bringing relief to this serious problem.

During the first 2 years of the program, about 340 fellowships were awarded to 180 persons, representing all but 5 States. Since there were some regions of the Nation where opportunities did not exist for individuals to study at the doctoral level under this program, stimulation grants were made to four colleges and universities in an effort to rectify this geographic inequity.

It is estimated that, by the end of fiscal year 1962, a total of 509 fellowships will have been awarded to about 365 persons. Four additional stimulation grants will have been awarded.

In 1963, grants will be made to colleges and universities to enable them to prepare persons to conduct teacher training programs, and to State educational agencies for the preparation of persons to direct and supervise educational programs in State and local school systems. These grants include amounts to expand and strengthen the resources of existing college programs.

It is estimated that in 1963, \$1 million will provide 68 fellowships to approximately 21 institutions of higher learning, 2 fellowships for each State, and 4 stimulation grants to aid in developing programs in colleges and universities not yet ready to prepare leadership personnel in the education of mentally retarded children and youth.

Mr. FOGARTY. Doctor, the request for 1963 is \$1 million, the authorized limit.

PROPOSED CHANGE IN LEGISLATION

What changes are being proposed in the authorizing legislation?

Mr. HUGHES. The President's message recommended that the program in the field of exceptionally be broadened along the line of the bill introduced last year, H.R. 7175, by the chairman, Mr. Fogarty, and the administration is supporting that legislation.

Mr. FOGARTY. It removes the ceiling.

Mr. HUGHES. It removes the ceiling of \$1 million and extends the areas of exceptionality to include all the major ones.

COOPERATIVE RESEARCH

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
Cooperative research (total program costs)	\$2, 865	\$4, 024	\$6, 218
Change in selected resources ¹	491	624	4, 782
Total obligations (object class 25)	3, 356	4, 648	11, 000
Financing:			
Comparative transfers from other accounts	-3, 356	-----	-----
Unobligated balance lapsing	-----	352	-----
New obligational authority (appropriation)	-----	5, 000	11, 000

¹Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$1,392,000 (1961 adjustments -\$2,000); 1961, \$1,881,000; 1962, \$2,505,000; 1963, \$7,287,000.

Mr. FOGARTY. Doctor, have you a statement on cooperative research?

Mr. McMURRIN. Yes.

Mr. FOGARTY. Go right ahead.

GENERAL STATEMENT

Mr. McMURRIN. Public Law 531, 83d Congress, authorized the use of Federal funds to support research in education, and enabled the Commissioner of Education—

* * * to enter into contracts for jointly financed cooperative arrangements with colleges, universities, and State education agencies for the conduct of research surveys, and demonstrations in the field of education.

The purpose of this program is to develop new knowledge about problems in education and to devise new applications of existing knowledge in solving these problems.

In the 6 years of its existence, the cooperative research program has become the most significant program for educational research in the United States. More than 150 of the over 400 projects supported by the program have been completed, and important and dramatic findings are now emerging. The increasing quality of these research findings permitted the cooperative research program to develop a program of demonstrations during fiscal year 1962 to make these findings available to the educational community.

RESEARCH TOPICS

From among these significant findings the following are illustrative of the range of topics being explored, the types of knowledge emerging, and the new directions for continuing research in 1963:

1. Research has indicated that it is now possible to increase four-fold the rate of listening comprehension of blind children through the use of compressed speech recordings.

2. There are now clear indications that children in the early years of elementary school can form basic and quite permanent ideas and attitudes about government, the Presidency, the Congress, the judiciary, the police, and other officials. Prior to the initiation of research in this area under the cooperative research program, virtually no systematic studies had been undertaken concerning the questions of how and when young people acquire their basic ideas about government, law, and citizenship.

3. Research in the area of mathematics education has demonstrated that learning in mathematics can be doubled in young children if they are taught basic mathematical ideas in the first grade.

4. Preliminary results of research sponsored by the program promise the development of a comprehensive program of preretirement education which can bring about important changes in morale, anticipatory attitudes toward retirement, and planning for retirement of older workers.

5. Building on past records of accomplishment in the important area of research in mental retardation, the cooperative research program now has highly promising new evidence pointing to the possibility that at least some of the children who have traditionally been labeled as "mentally retarded" may in reality merely be the products of "retarded homes."

PROJECTS ABLE AND ENGLISH

In addition to these accomplishments in nonprogramed research, the cooperative research program has made substantial beginnings in the programed areas of Project Able and Project English. In each of these areas research planning and development, and the stimulation of new basic and applied research are now well underway, and will provide a firm basis for the continuation of these projects in fiscal year 1963. In Project English three Curriculum Study Centers will be established in fiscal year 1962 and two more are planned for 1963. The concentrated and sustained attention focused through Projects Able and English represent an unprecedented marshaling of the talents and potential of American scholars and researchers. Experience gained this year in the initiation of these projects will contribute not only to the further development of these projects during the next fiscal year, but also to the inauguration of Project Social Studies.

TEACHING SOCIAL STUDIES

The teaching of social studies in our schools and colleges encompasses the crucial areas in which children and young people learn the basic elements of democracy and government. Knowledge in these areas is of critical importance in preparing them for adult roles

as citizens and parents. Sufficient knowledge is at hand to undertake without delay research planning and basic and applied research in the social studies, and for institution of curriculum study centers aimed at the incorporation of materials in the social studies into existing general curriculum structures.

BUDGET REQUEST

An amount of \$11 million is requested for cooperative research in 1963, an increase of \$6 million over the 1962 appropriation, and \$6,352,000 over the funds actually available in 1962. This will provide an increase of \$455,000 for new research in the nonprogramed area and an increase of \$325,000 in continuation costs. In the programed research activities a net increase of \$1,205,000 is requested to continue and expand Project English and Project Able students, and to initiate a major research effort in the social studies field. The major portion of the increase, \$4,015,000, is requested for costs in subsequent years of research projects which will be initiated in fiscal year 1963.

Mr. FOGARTY. Doctor, the appropriation for 1962 was \$5 million, and the request for 1963 is \$11 million, of which \$4,015,000 is for financing after 1963. So there is an increase of \$1,985,000 for 1963, is that right?

Mr. McMURRIN. Yes.

FULL FUNDING PROVISION

Mr. FOGARTY. Did you ask for this so-called full funding provision?

Mr. HUGHES. No, sir, that was not a recommendation of the Office of Education nor of the Department of Health, Education, and Welfare.

Mr. FOGARTY. Then it was the Bureau of the Budget. What advantage do they see in this?

Mr. KELLY. The National Science Foundation, as you know, is financed on this basis, as we are, in connection with the Public Law 480 program. They feel that it gives us a greater degree of flexibility in the use of the funds by making them available until expended and allowing adjustments in contracts after they have been entered into, to meet changing situations which develop during the course of the research program.

Mr. FOGARTY. Why do not the Institutes of Health do it?

Mr. KELLY. Because it costs too much money.

EFFECT OF RESERVE

Mr. FOGARTY. There is a reserve for savings of \$352,000. What backlog will you have of unfunded but approved applications at the end of the fiscal year?

Mr. HUGHES. Mr. Flynt, do you want to answer that question?

Mr. FLYNT. Of course, due to the lateness of securing the appropriation and the fact that we did have an economy reduction of \$352,000, the net result has been to move the approval of projects forward within the year. We presently have five unfunded projects but with the passage of time, we will be able to fund those partially this year, but we will not reach the full rate of expenditure.

Mr. FOGARTY. If they are only going to be partially funded, it means that there is need for this full appropriation for 1963?

Mr. FLYNT. Yes, sir.

DIFFERENCE BETWEEN CONTRACTS AND GRANTS

Mr. KELLY. Let me explain that just a moment to distinguish it from the National Institutes of Health.

On the grants, we make a grant for the first full year of operation which can be a year that starts on July 1 or January 1 or any other time, but under the contractual arrangement for research, which is the case of cooperative research in education, we generally make the contract from the date we enter into it until June 30 and then they renew it for 12 months, beginning on July 1. I say "generally," if the project can be completed in 18 months or less, and we enter into a contract for the total project.

UNFUNDED APPROVED APPLICATIONS

Mr. FOGARTY. Under your budget, how much will be approved but unfunded by the end of 1963?

Mr. PATEROS. At the end of 1963, the budget request will take care of what our best estimates are at the moment of the projects that will come in for the activities to be conducted in the programs under "cooperative research" on a full funding basis.

Mr. FOGARTY. Dean Stiles appeared before this committee last year with a group of deans and I thought they made a real good presentation for cooperative research. I think Dean Stiles is coming again this year. He might not agree that this is sufficient to meet all of the approved applications?

Mr. PATEROS. At the time the budget request was developed we had to take into account the stimulation activities which we were conducting this year and the rate of project approvals coming in and using this experience factor; we developed the total budget estimate.

STATUS OF PROJECT ENGLISH

Mr. FOGARTY. Doctor, tell us about Project English.

Mr. McMURRIN. Project English was launched in two directions. In the first place, the funding of individual research projects, having to do with the teaching of English which, though individual, are related to one another and to the grand plan of the project, and second, the funding of research centers, I think perhaps Mr. Flynt could supply some detail on this that would be of some interest.

Mr. FLYNT. In the curriculum study centers, the committee authorized funds for three; the research advisory committee has approved three, and we are prepared to announce the award of those contracts to those three universities.

This has not been publicly announced but they are Northwestern University, Carnegie Institute of Technology, and the University of Nebraska.

Due to the lateness of the year, it is possible that we could fund three more without undue distress in our 1963 appropriations if that could be authorized.

We will be able to complete all of the other proposed activities under Project English this year, and there is a conference on needed research, certain seminars and research development contracts for the purpose of plowing ourselves more deeply into the English profession.

The purpose of the curriculum study centers is to do the same thing for the field of English that we have already done for the field of language that Dr. Mildenberger described this morning.

Mr. FOGARTY. Doctor, you stressed this quite a bit last year, I remember.

Mr. McMURRIN. Very much.

SCHOOLS REACTION TO PROGRAMED RESEARCH

Mr. FOGARTY. As I remember, some of the deans wished they had a little more latitude in some of these areas; is that right? Do they still feel that way?

Mr. McMURRIN. The people who are involved in educational research, especially in the fields of psychology and other fields relating directly to the learning process, were not particularly happy with our becoming involved in what might be regarded as programed research directed to a clearly defined problem. It is my impression—and I was with Dean Stiles just last week and he was interested in this matter—it is my impression that by and large they recognize the value of both kinds of research and feel that their fears were somewhat ungrounded because I believe they were afraid that, by our going into the field of programed research, we would be inclined to give up support for the nonprogram, nondirected research. We have clearly shown them that we have no disposition to do this.

I believe that the people in the research field now are generally reconciled to this kind of approach to the problem and not only that, but are strong supporters of the kind of thing we are trying to do.

Mr. FOGARTY. Is there any difference between programed research and directed research?

Mr. McMURRIN. No. The terms could be used interchangeably.

NONRESEARCH ACTIVITIES OF PROJECT ENGLISH

Incidentally, Mr. Chairman, there is much more to our Project English now than what has been indicated here, because we have called upon the resources of the Office of Education at many points to undertake to effect a general upgrading of the quality of teaching of English in the secondary and elementary schools.

Perhaps Dr. Featherston would like to comment on what is being done in the nonresearch field that correlates with the research activities and will correlate with the work of the research centers.

Mr. FEATHERSTON. We have several staff members at work on projects relating to the English project; first, there is continuing study in the field of English curriculum—what is now being taught.

Second, we are undertaking a study of the teaching of reading and that is just getting underway.

Mr. FOGARTY. I was going to ask about reading. I thought that was one of the areas that needed a little upgrading.

Mr. McMURRIN. That is an important part of our whole English project.

Mr. FOGARTY. That is included in this?

Mr. McMURRIN. That is included, yes, reading and writing.

Mr. FEATHERSTON. We have two specialists in reading now and they are undertaking a study, particularly with reference to cities.

Mr. FOGARTY. Many children drop out of school because they cannot read well.

Mr. McMURRIN. Quite true.

Mr. FOGARTY. Go ahead.

Mr. FEATHERSTON. As I indicated, two specialists are just starting the project in reading.

It will be related particularly to the problems of large cities. We plan on having a conference sometime in the spring on the reading problem and that is all related to the overall English project.

Mr. FOGARTY. Is there anything you want to say on this?

PROJECT ABLE STUDENTS

Mr. McMURRIN. I want to make a comment on our Project Able students.

This is somewhat a different kind of thing where we are undertaking to bring together a very broad range of research as applied to the problem of talent and its relationship to the learning process.

Mr. Flynt, could you give the picture of that briefly?

Mr. FLYNT. I might point out that we have been carrying on and financing a large-scale project for some years to get a baseline of data on this problem of finding the true measure of the distribution of talent throughout the country. There is a project at the University of Pittsburgh which has evaluated the record in achievement of 480,000 high school students spread throughout the country.

However, Project Able—

PITTSBURGH PROJECT

Mr. FOGARTY. Is that Pittsburgh project the one we had some problems with a couple of years ago?

Mr. FLYNT. We had some discussion. However, it is coming along.

Mr. FOGARTY. We got into quite a discussion on the floor. How has that turned out?

Mr. FLYNT. It is turning out quite well, Mr. Chairman. As a matter of fact, Dr. Flanagan and Dr. Daley, the head of the project, are reporting on its initial preliminary finding at Atlantic City. The first part covered the outline of the studies and this has just come off the press this week, and I will be glad to provide a copy of that to the committee.

Mr. FOGARTY. Some of us are not going to have a chance to read all of these publications you have shown us today.

Tell us about the results of this Pittsburgh project because this was criticized quite strongly on the floor 2 or 3 years ago by Members of Congress. If it has turned out to be a good project, you ought to be in a position to brag about it a little bit, I would think.

Mr. FLYNT. The director of the cooperative research program, with your permission, will, in just a minute, summarize the preliminary findings which we will be glad to furnish for the record if you like.

Mr. FOGARTY. All right.

Mr. FLYNT. It is quite a brief summary.

Mr. IANNI. I think the most important thing about the study is that it has provided a large pool of data which can be used for further study.

There are some definite results which we can report on also and probably the most interesting one is that the top 25 to 30 percent of the ninth grade students score higher on achievement tests than the average 12th grade students do.

What this means is that between the 9th and 12th grades, nothing is being done at the present time to educate the top students up to the level of their ability. They are losing out in terms of education.

The second important finding is that the location and size of the school does not significantly affect the educational achievement of the child. There are good schools in slums and poor schools in slums. There are good schools in rural areas, and poor schools in rural areas.

Perhaps the most interesting finding is that the figure which correlates most highly with student achievement in schools is the beginning salary of the schoolteacher. Where you have school systems with the schoolteachers, as they enter the school systems, at high salaries, there is a very high correlation between this fact and the high achievement of the students.

These data are only preliminary and there will be more coming out in the future as time goes along.

Mr. FOGARTY. This study has turned up data you did not know before?

Mr. IANNI. It has turned up data we did not know before, and it gives promise of the most significant educational research project in recent years.

Mr. FOGARTY. This turned out to be a good project?

Mr. HUGHES. Very good.

Mr. FLYNT. Very good.

PROJECT REPORT

Mr. McMURRIN. We had a report from Dr. Flanagan and his colleagues the other day and it was a very impressive statement.

Mr. FOGARTY. We will put that in the record.

(The report follows:)

PROJECT TALENT PRELIMINARY FINDINGS¹

(By John C. Flanagan, University of Pittsburgh)

In March 1960, in 1,353 secondary schools selected to represent the high schools of the United States, 440,000 students answered about 2,000 questions over a period of 2 school days. These answers provided the basic data of Project Talent, a study of the identification, development, and utilization of the talents of American youth.

Careful planning preceding this national testing phase. The planning began in 1957 and involved the participation of 30 of the Nation's leading experts in problems of testing, counseling and guidance, manpower and sociology, and educational research. In the period of almost 2 years since the testing in March 1960, more than 2 million answer sheets were scored and scanned by electronic equipment and the data punched into 5 million cards. This scoring and punching operation was completed 1 year ago. Since then the data have been transferred from cards to magnetic tape and the data for each student are now in the process

¹ Paper prepared for presentation at the annual meeting of the American Educational Research Association and the American Association of School Administrators, Atlantic City, N.J., Feb. 20, 1962.

of being collected together on the tape and edited for consistency and accuracy. In packed form the data from the 5 million cards will fit on only 50 reels of tape. The advantages of having the data in this form are clearly indicated by the fact that a complete scanning of the edited tape to complete the analysis of some specific fact about each of the students can be done in less than 4 hours.

The 1960 testing represented the culmination of a long and thorough planning phase. However, in an important sense it was only the beginning since followups to check on the progress of these students are planned for 1, 5, 10, and 20 years after each of them graduates from high school. The first 1-year followup is now in progress, and already replies have been received from about 60,000 of those tested as seniors. About half of them, nearly 30,000, report they have entered college. The data on each of these students will be merged with the basic data for analysis later this spring.

What do we hope to find from this study? Primarily we are focusing on a better understanding of American youth. What are the patterns of talents of young people in the rural areas, in the big cities, in cheap apartments, in residential areas, in the deep South, or in the Middle West? What are the educational opportunities of each of these students and how well are they profiting from these opportunities? What counseling and guidance is offered them and do they appear to be making wise choices based on sound information in planning for further education and a suitable career?

Some of these questions will take many years to answer. We'd like to bring you up to date on a few of the preliminary results we have obtained from some of the first analyses and outline some of the other analyses now planned. Specifically we'd like to tell you some of our findings about the American high school and its educational program, about the diversities and also the similarities which have led us to a classification system for American high schools, about the achievements of our boys and girls, and the rates at which they progress in acquiring new information and skills in the high school, and finally, some of the possible implications of these findings for the development and improvement of educational programs.

The studies of the counseling and guidance programs in the American high schools are progressing well and will be released in about 2 months. None of the results from this analysis will be reported here.

STUDENT PERFORMANCE AND ITS RELATION TO SCHOOL CHARACTERISTICS

How competent are the graduates of the American high schools in the basic tool subjects? To enable us to answer this question in terms meaningful to both parents and teachers we need to have measures of performance which can be directly interpreted.

The staff of Project Talent has made an effort to provide such directly meaningful scores in certain fields. Looking first at the field of English, we find that the average 12th grade student is able to spell correctly 92.5 percent of the 5,000 most frequently used words in English.² Is this good or bad? How could it be most efficiently improved? What increased investment of time would be required? How long would the improved knowledge be retained? These are research questions some of which we hope to answer on the basis of analyses of our data. Others will require special research studies. For the present we have a basic point of reference which can aid in interpreting all future studies of spelling.

Next let us look at the ability to apply the rules for capitalization correctly. The average 12th grade student was found to apply the rules of capitalization correctly in 90 percent of a set of examples based on all of the rules of capitalization. In regard to punctuation the average 12th grade student was able to apply the rules of punctuation correctly in 68 percent of the examples given. Sampling from among the most common errors in English usage it was found that the average 12th grade student was able to identify the correct usage in 69 percent of the examples included. In selecting the most effective ways of expressing an idea from among three or four possible ways of stating this idea, the average 12th grade student identified the most effective sentence in 76 percent of the sets given.

One of the most important of the basic educational skills is the ability to understand what is read. Two types of reading matter were selected to provide meaningful reports of the students' ability to read. The first of these was

² Thorndike, E. L., and Lorge, I., "The Teacher's Word Book of 30,000 Words." New York: Teachers College, Columbia University, 1944.

periodicals. From among several selections from each of 10 periodicals, two were chosen as typical of the reading matter in the periodical. Questions were written to judge the completeness of the reader's understanding of these paragraphs. These questions ignored the simpler aspects of understanding words or sentences and were aimed at determining the broader ideas, purposes, and implications contained in these paragraphs. It was found that for typical articles in motion picture magazines such as *Modern Screen* or *Silver Screen* the average 12th-grade student was able to answer 78 percent of questions correctly. For other magazines the results were: *Saturday Evening Post*, 54 percent; *Look*, 47 percent; *Reader's Digest*, 44 percent; *Pageant*, 40 percent; *McCall's*, 38 percent; *Time*, 35 percent; *Fortune*, 33 percent; the *Atlantic Monthly*, 28 percent; and the *Saturday Review*, 28 percent. Clearly there is much, even in some of the relatively popular magazines, which is beyond the level of reading comprehension attained by the graduates of our high schools.

The other type of reading matter selected was chosen from the writings of well-known novelists. The same pattern was followed for choosing two selections judged typical of the author's work and developing questions measuring the thoroughness of the reader's understanding of the paragraphs. The extent to which the average 12th-grade student was able to answer the questions correctly for the writings of each of these authors is as follows:

<i>Author and selections</i>	<i>Percent of questions correctly answered</i>
Alcott, Louisa May ----- Eight Cousins, Jo's Boys	67
Stevenson, Robert Louis ----- Treasure Island, The Black Arrow	58
Cather, Willa ----- Sapphira and the Slave Girl, A Lost Lady	50
Lewis, Sinclair ----- Dodsworth, Ann Vickers	47
Verne, Jules ----- Twenty Thousand Leagues Under the Sea, The Purchase of the North Pole	47
Kipling, Rudyard ----- Kim, The Complete Stalky and Company	45
Dostoevsky, Fyodor ----- A Raw Youth, Crime and Punishment	43
Conrad, Joseph ----- The Arrow of Gold, The End of the Tether	40
Austen, Jane ----- Northanger Abbey, Mansfield Park	33
Mann, Thomas ----- Joseph and His Brothers, Dr. Faustus	28

These results certainly make it clear that the average 12th grader is not able to comprehend fully the ideas that the authors of many of our classic novels have attempted to convey. These findings have many implications for the teaching of English and the social studies in our high schools. Certainly development and research in these areas must take into account the basic points of reference established by this national survey.

Among the findings from the preliminary analyses of the results, one with great importance for any efforts to improve present educational procedures is that 25 to 30 percent of 9th-grade students have already reached a higher level of performance on these tests than is attained by the average 12th-grade student. This indicates the desirability of adapting instruction to individual student needs rather than giving them all the same instructional program.

Another set of findings with important implications for improving instructional procedures relates to the rate at which new information can be learned by students at the high-school level. It was found that the average 12th-grade student can learn the English equivalents of three words in a foreign language for each minute of study time. This suggests that many present instructional procedures are much less efficient than optimal learning situations would be. Here again is a basic reference point to be considered in developing new instructional programs. It is also important to note that with respect to rate of learning that the top 5 percent of the students are able to learn twice as rapidly, six words per minute, as compared with three for the average student in their groups.

Two other basic reference points relating to the skills of 12th grade students were established with respect to arithmetic computation and clerical checking. The average 12th grade student was able to add, subtract, multiply, or divide two numbers (usually of two digits each) at a rate of 4.6 correct answers per minute with 0.3 error per minute. Similarly the average 12th grade student was able to compare two names in the clerical checking task at a rate of 13.3 correct comparisons per minute with 1.3 errors per minute.

Some preliminary simple comparisons have been made between school characteristics and the students' educational achievement levels. In looking at these results one is impressed immediately by the great differences in the levels of student achievement in various schools. The variability in a set of mean scores for 12th grades in the Nation's high schools is at least half as great as the variability of the scores of all the Nation's 12th grade students. Thus, in 10 percent of the schools the average score of the students in the 12th grade on an achievement test is below the 26th percentile for the complete distribution of the 12th grade students.

Perhaps the simplest relations which are evident from this survey are the regional differences in student performance. On most tests the scores for students in the Northeast section of the country are high. Students in the Southeast section tend to be low, and the rest of the country falls in between. Previous findings of this type led to the conclusion that students in the urban schools get much better scores on educational achievement tests than students in rural high schools. This difference is found to be quite small. The mean scores on these tests for students in urban high schools are only slightly higher than those for students in rural or small town schools. In terms of a product moment correlation coefficient this relationship is only 0.12.

Another popular misconception is that students in large high schools learn much more than students in small high schools. The correlation coefficient between senior class size and the average scores on these tests of educational achievement was found to be only .14.

These are simple correlations and it is planned to make much more systematic and carefully controlled analyses of the relations between school characteristics and student performance. For example, analyses will be done within the 17 categories into which the high schools have been classified. However, in terms of the present simple correlation procedures it is interesting to observe that by far the largest coefficient between any characteristic of the school and the average total information score of the students is found for the beginning salary the school pays its teachers. This correlation is .50. The next highest correlations with these average scores were found for two somewhat related characteristics of the high schools—a coefficient of .39 with the total school expenditure per pupil and a coefficient of .38 with the quality of housing in the area served by the school.

These results are only preliminary. Detailed analyses are now in progress relating the 1,000 items regarding school characteristics to various aspects of student achievement. The school characteristics include such variables as average class size in science and mathematics, homework requirements, the use of homogenous grouping, policy with respect to acceleration of superior students, course offerings, and number of books in the library. It is anticipated that the analyses of these school characteristics in relation to student performance will shed further light on the design of effective instructional procedures.

SUMMARY AND CONCLUSIONS

What conclusions can be drawn from these preliminary analyses of the results from testing 440,000 students in the 9th, 10th, 11th, and 12th grades in a sample of more than a thousand high schools representing the country as a whole? Probably the most significant of these early findings are the following:

- (1) The very large amounts of variation found for the students within a grade in both the extent of the knowledge they now have and in the rate at which they can acquire new knowledge strongly suggest the need for adapting instruction to the needs and abilities of the individual student. This great variation in student knowledge is illustrated by the finding that for most tests of information 25 to 30 percent of the 9th-grade students already exceed the average of the 12th-grade students. The variation in rates of learning is shown by the finding that the best 5 percent of the students learn new information at twice the rate of the average student. An optimal instructional program for

the individual will begin at the level the student has already attained and proceed at the rate of which he has been found capable.

(2) A second point to be given major attention in the development of instructional programs which is implied by some of the preliminary findings is the importance of planned review and integration. The compartmentalization of educational materials into subjects and courses appears frequently to result in an inefficient instructional program. If a subject is worth the investment in time required to learn it, this subject is also worth the investment of time required to retain it and apply it in other areas of instruction.

(3) A program for the improvement of education in our high schools requires a comprehensive set of measurement procedures which will permit the researcher, the teacher, the school administrator, and also the parent to evaluate the progress of students exposed to special instructional programs. These measures should be reported in terms which have as much direct meaning as possible. Examples of such efforts in this study include the direct interpretation of spelling scores in terms of the ability to spell the 5,000 most frequently used English words; the interpretation of reading comprehension in terms of well-known types of reading materials; the reporting of arithmetic computations in terms of operations per minute and errors per minute; and the reporting of clerical checking performance in terms of pairs of names checked correctly per minute and errors per minute. It is also important that basic reference points be established in terms of these measures.

(4) The final conclusion concerns the relation between student performance on tests of educational achievement and special characteristics of the schools these students attend. It is clear that nearly all sections of the country have both high and low schools with respect to the average performance of their students. It is clear that neither the number of students in the school (for example, more than 100 seniors) nor its location in an urban rather than a rural area are substantially related to the amount of learning of these students. Economic factors as illustrated by the beginning salary paid to teachers appear much more significantly related to the student's achievement.

Although much remains to be done it appears that the data bank established by this project and the followups planned for these students over the next several years should provide useful information for the important task of improving the quality of education in America's high schools.

SUPPORT FOR EDUCATIONAL RESEARCH

Mr. McMURRIN. May I say, Mr. Chairman, that in our efforts to further the development of educational research and, in a sense, broaden the base of it, we feel that we are receiving outstanding support from the people in educational research. An example of that is the support received from Dean Stiles and his colleagues, and also from people in the subject matter areas.

For instance, in the case of our work on the subject of English we have had an enormous interest expressed from people in the field of English in secondary schools and elementary schools as well as in the universities. They are giving us every assistance in carrying this project along, excellent support, and so we believe the results of the research will have some practical benefits in the schools because they are prepared for it.

Mr. FOGARTY. When will we start getting some of these results?

Mr. FLYNT. We have already, last year, approved some 16 research projects in the field of English. A good portion of those were in the field of reading and we should be getting some results within a year.

The curriculum study centers we would hardly expect to be getting results within a year and a half.

I might add, to supplement Dr. McMurrin's statement and to reinforce the view, that the profession is strongly behind this and after

consultation with the leaders in the field of English and in the field of education, we have secured the services of Professor Hook, a noted authority in the field of English, who has been released by the board of regents and the president of the University of Illinois to serve as a coordinator of this project for the remainder of this year. This is a measure of the sense of confidence the English profession has in the project, we feel.

PROGRAMED AND UNPROGRAMED RESEARCH

Mr. FOGARTY. With regard to the treatment given applications by the Advisory Group, what is the difference between programed and unprogramed research?

Mr. McMURRIN. You mean the function of the Advisory Group?

Mr. FOGARTY. Yes.

Mr. McMURRIN. There is no difference whatsoever.

Mr. IANNI. There is no difference. The approval rate for the programed research and the nonprogramed research has been the same.

Mr. FLYNT. We have utilized supplementary panels in certain areas to assist the committees, which has only a membership of nine.

This does not comprehend all competence. We had a special panel in the field of English to assist the committee and the final decision is that of the committee, by law, and all projects have gone through it.

Mr. FOGARTY. What is the difference between programed and unprogramed research?

Mr. McMURRIN. The essential difference is this: In the nonprogramed research, a person, quite independently of any specific purpose expressed by the Office of Education, would submit a research project for the committee to pass on. He might or might not submit a project in connection with English, whereas in programed research we have decided in advance that research should be done in the field of English and we undertake to stimulate an interest in the field of the teaching of English as a research area.

When the work comes in under this general programming in the field of English, we refer to it as "programed research."

Does this answer the question?

Mr. IANNI. May I make a comment? One of the difficulties has been equating the term "directed research" with "programed research." Very often "directed research" is taken to mean we go out to a university and ask them to work on a specific problem for us.

This is not what we mean by "directed research" at all, but rather we would direct our attention to certain problem areas in education and try to get the research projects which we cover strong ones.

Mr. FLYNT. You might recall, Mr. Chairman, in the early years of the program, certain funds were earmarked for research in the field of mental retardation. This might be regarded as programed research in the sense that invitation to file application was directly related to the willingness to do research in the field of mental retardation.

It was nondirected in the sense that within the broad scope and spectrum of research, which was obvious in the field, they might propose any project which could secure approval.

Mr. IANNI. I would also like to suggest we have a chart which Dr. Flynt described and which I am sure does attack these areas.

Mr. FOGARTY. Is this the time for it?

Mr. FLYNT. It will not take more than 2 or 3 minutes.

Mr. FOGARTY. Go ahead.

Mr. FLYNT. Speaking of how research gets down through this, this chart is read from top to bottom. We have here a general rubric; research problems in mathematics education.

The basic and applied research phase of it comes first.

Just to be quite specific, we had a study at Washington University, St. Louis, entitled "Evaluative Study of Psychological Research in the Teaching of Mathematics."

This brought forth some very specific proposals. They are under three headings.

Conceptionally, this posed some very good ideas but one could not know whether or not they would work until they could be tried out.

The next item is called Field testing evaluation.

BASIC AND APPLIED RESEARCH

Mr. FOGARTY. What do you mean by "basic and applied research?"

Mr. IANNI. It is the same type of research done in the laboratories. You do not know if it works on the general population until you try it.

Mr. FLYNT. The field testing evaluation is determined on the basis of whether it will work on the general population.

We undertook another effort at Stanford University, a fairly sizable one, which involved teaching geometry to first, second, and third grade students on a larger scale basis. This was very promising and turned out quite well. We then reached the stage, with the profession guiding us, where a large number of experts in this field determined it was of value and worth taking out and demonstrating in actual classroom situations in large numbers of schools.

We then signed another contract with the same university, Stanford, since they were in a position to carry it forward, and they worked it forward to the point where it has real promise.

The net result was to bring about the need for more research so at the bottom on this chart you find four areas of research that were evolved from the demonstration and dissemination; namely, to learn more about how children learn; the theory in mathematics and how they learn geometric concepts; how mathematical learning transfers and how they learn mathematical proofs. These are very specialized aspects of this.

Mr. FOGARTY. Let us go back to the first one, basic and applied research.

Tell me about a basic research study and how it is applied.

Mr. IANNI. Taking this particular study, we were interested in finding out when if you take talented fourth and fifth grade students, can you teach them mathematics at a level higher than they would learn in the regular school system. In order to do that, we had to devise methods and techniques. This was the basic research involved.

When we went into a school system we observed how schoolchildren learned mathematics and then the applied portion came in when the student tried to use that knowledge.

Mr. FOGARTY. What did he find out?

Mr. IANNI. He found out that children in the fourth and fifth grades spent a great deal of time learning the rules of mathematics which the student never used. They spent a great deal of time learning proofs; for example, they will never use those in the future.

Mr. FOGARTY. What do you mean by "proofs"?

Mr. IANNI. Learning why two plus two is four, where actually the sheer knowledge is what is important to them. In terms of applied research, what he had to do was to find some method of teaching which could be used in a situation with these talented children where they could learn at a faster rate. He tried teaching them algebra in the fifth grade and found out that it was very successful by teaching them sets of rules meaningful in terms of their general life situation, in terms of future applicability. One thing he did learn was that some knowledge can be transferred to other areas.

For example, quite conceivably some of the knowledge they gained will be useful in such fields as English.

Mr. FOGARTY. What are these study centers mentioned in the justifications? How much is budgeted for them?

Mr. HUGHES. In fiscal 1963, the request for the study centers—

Mr. FOGARTY. What is a study center?

Mr. HUGHES. A curriculum study center?

Mr. FLYNT. This is a center in which educators and English scholars would be concerned with studying problems of evolving and developing a specific course of study, very much like the physics study center established by the Science Foundation at the Massachusetts Institute of Technology which resulted in the development of a course of study in physics.

This morning Dr. Mildenberger described our own efforts in devising a course of study in language. This came out of the Glastonbury Public Schools but essentially we signed contracts with the university to do this same kind of thing in the field of English. It would involve a definite curriculum. There will be testing out of various approaches and evaluations of those approaches. The ultimate outcome may be something more fully research tested than would otherwise be the case.

Mr. HUGHES. In the budget for study centers in fiscal 1963, sir, the total is \$1,125,000, excluding the field demonstration centers which are an additional \$300,000 bringing the total to \$1,425,000 including the amounts for full funding.

Mr. FOGARTY. What is the difference between a study center and a field demonstration center?

Mr. FLYNT. The study center would be more basic in the sense that it would be concerned with starting the elements of English that ought to be studied at the several levels. The field demonstration would be an actual tryout of the same curriculum or a model program in the field of English after it is evolved in the center. That would be the next step after the curriculum study center.

We would expect after 2 years of work in the curriculum study center that it might produce, just as Dr. Ianni described, produce something you could try out in the schools.

EXPANSION OF CURRICULUM STUDY CENTERS

Mr. FOGARTY. What are the views of the Office of Education with regard to expansion of this program, authorized by Public Law 531?

Mr. McMURRIN. The thing we are most concerned about with regard to educational research under the Educational Quality Act you have mentioned is that it would enable us to establish through funding on some kind of a matching basis, educational research centers on a regional basis. What we have in mind is centers that would tie up universities and colleges and enable them to use the best resources jointly of the institutions in relationship to the State school offices, and through the State school offices in relationship to some actual schools, and to enable the development of educational research in such a way that you could see the thing through from beginning to end in demonstration, and to place in this kind of activity in various parts of the country, depending on the qualifications of installations, and their willingness to enter into such projects—

Mr. FOGARTY. The various schools are very much interested in it?

Mr. McMURRIN. They are very much interested in it.

Mr. FOGARTY. In expanding this program?

Mr. McMURRIN. This thing is not a new concept. It has been in the Office of Education for some time and has been developed as a matter of fact here and there across the country. There is a gradual realization that the educational research activity of the Nation is lagging far behind where it should be and that we are not investing enough talent, time and energy, or material resources in educational research.

There is a feeling that what is needed is a major thrust forward in this field and we believe that through some such arrangement as I have described and which will be authorized by the act this can be effected.

NEED FOR EXPANDED AUTHORITY

Mr. FOGARTY. Does that require new legislation? We do not have the authority now?

Mr. FLINT. Yes it would require an amendment, I think. There are two very important things to come out of it if we had the added authority. One, it enables us to bring to bear upon the problems of education the total intellectual resources that are bound up in the universities, State departments of education, and in the school systems, by having these groups pool their resources.

This also would make it possible for us to bridge the gap between the professions themselves and the field of education. It also would provide, more importantly, a place where all four steps in this process might take place in one frame of reference.

For example, in the development of basic research, in the design of program, in evaluation, and in the dissemination of sound findings, these four things can all go on in one place.

As Dr. Ianni described in the mathematics project, it was necessary to shift the universities. The basic research was done at Washington University. The field evaluation and demonstration had to be shifted to Stanford, simply because Washington was not prepared to see it through.

One of the centers would have continuity on this. It would begin and see the entire body of research through very much like an Insti-

tute of Health sees it through or some of the centers set up by the National Science Foundation.

NEED FOR EDUCATIONAL RESEARCH

Mr. FOGARTY. What is the answer to the people who say, "Why bother about spending money on research in education? Why not just go back to the three R's; reading, writing and arithmetic?"

Mr. McMURRIN. Our answer to that, Mr. Chairman, is that our industry in this country, for instance, is not moving ahead on that kind of basis, returning to what has been customary, but is moving ahead on the basis of large-scale enterprises in research and development. It has been clearly established in educational research that this field stands to gain just as industry gains and just as science gains and technology gains in that way. We have thus far only pursued this endeavor on a kind of drop-in-the-bucket basis, and if we really want high quality and high achievement in the Nation, we must recognize that we are just scratching the surface and that what we must do is to cultivate a large reservoir of talent for educational research and get into the thing in a realistic full-fledged manner.

FEDERAL CONTROL OF EDUCATION

Mr. FOGARTY. What about the claim from some quarters that through research you may bring about some form of control over education?

Mr. McMURRIN. All we can say here is that there is not the slightest disposition on the part of the Office of Education or any other Federal agency, that we know anything about, to achieve control of education through research.

The research that we are referring to is not research done in the Office of Education. It is not directed by the Office of Education, beyond what we have already described in the case of Project English where we have asked the Congress to provide funds for doing a job in this particular field and have then gone outside of the Office of Education for the people to do the job. There is no disposition whatsoever to effect Federal controls.

We have no reason for believing that this would produce any kind of controls on education or controls on research.

Mr. FOGARTY. That is my feeling, too, but I hear these rumblings once in a while and I wanted to get your reaction to them.

Mr. McMURRIN. We hear them and I think that sometimes these rumblings, as you call them, originate with people who suppose that the Federal Government is in the business of building up a large research force.

We do not have the research people, except in very limited numbers who work as administrators of funds or who address themselves to specialized tasks relating to the established function of the Office. We are simply funding the research to be done in educational institutions and by educational agencies that do have the people, which keeps the activity entirely dispersed and protected from Federal control.

Mr. FOGARTY. You had a little trouble with the Senate committee last year?

Mr. McMURRIN. Yes, we did.

Mr. FOGARTY. Have you been able to convince them yet that this is a worthwhile program?

Mr. McMURRIN. We hope to be able to convince them the next time we meet with them.

Mr. IANNI. May I speak to that point?

Mr. FOGARTY. Be a little careful what you say. These hearings will perhaps be in print before you get around to testifying over on the Senate side.

Mr. IANNI. I think one of the problems that has existed here and referring back to the chart, if someone asked us a question about the significance of this at any point back here, we would have had a difficult time——

Mr. FOGARTY. You mean if you had this chart last year, that would have made some difference?

Mr. IANNI. I think so.

Mr. FOGARTY. Good luck to you.

EXAMPLES OF PROGRAM ACCOMPLISHMENTS

We will now place in the record the examples of program accomplishments set forth in pages 19 through 21 of the justifications.

(The pages follow:)

The six summaries which follow are illustrative of the range of topics being explored, the types of knowledge emerging, the implications of these findings, and the new directions for continuing research in 1963.

1. *Education of the blind.*—As the result of a cooperative research project at the University of Louisville, it is now possible to increase fourfold the rate of listening comprehension of blind children (from approximately 60 to 240 words per minute). Before this important new discovery, the blind had been limited to receiving information at frustratingly slow rates of speed through braille or ordinary voice recordings. Now it has been shown that they can learn at unprecedented rates through the use of "compressed speech" recordings which reduce the listening time dramatically. Further research is underway and will be carried on throughout 1963, which holds out hope that soon the blind can be trained to digest reading materials at rates comparable to those with unimpaired sight.

2. *Mathematics education.*—A recently completed cooperative research project at the University of California at Los Angeles has shown that learning in mathematics can be doubled in young children if they are taught basic mathematical ideas in the first grade. The researchers in this study have experimented with the ability of first-grade children to learn mathematics in terms of algebraic structures rather than sets of rules. Based on their success with this initial experiment, they are proceeding to develop curricular materials for the first three grades in which children will be taught to view mathematics as a logical system of relationships rather than a series of unrelated concepts. Because the curriculum developed from this research will make for broad transfer of learning, it is expected that pupils will develop an understanding of mathematical models broad enough to enable them to use this logic in other school subjects and even in the solution of everyday problems.

3. *Understanding of democracy.*—From studies being conducted at Michigan State University and at the University of Chicago, there are now clear indications that children in the early years of elementary school form basic and quite permanent ideas and attitudes about government, about the presidency, Congress, the judiciary, the police, and other officials. Prior to the initiation of these cooperative research projects, virtually nothing was known concerning how and where young people acquire their basic ideas about government, law, and citizenship. As a result of these studies, it is now possible to proceed to study the direct influence of the schools on such attitudes, as well as the effects of different types of schools, school programs, teachers, and courses in the development and change of attitudes toward the democratic process.

4. *Preretirement education*.—Preliminary results of research sponsored by the cooperative research program already indicate that it is now possible to provide a comprehensive educational program of preretirement education which effects important changes in morale anticipatory attitudes toward retirement, and planning for retirement. While education has traditionally aimed at youth, the increasing importance of older citizens in American society cannot help but place growing demands on educational knowledge and practice. In spite of major efforts to make possible the continuing employment of workers for as long as they are physically able and want to engage in productive work, the trend for the past several decades has been a steady decrease in the proportion of older workers employed and all indications are that the normal age of retirement will be revised downward. One study being conducted at the University of Michigan is developing an educational program for preretirement education for hourly rated workers. Based upon extensive research with such workers, this program should provide an important answer to how workers can prepare for a successful and happy retirement. The next step in this important area is to refine these experimentally developed programs to the point where they can be demonstrated and placed into operation.

5. *Mental retardation*.—Building on past records of accomplishment in the important area of research dealing with mental retardation, the cooperative research program now has new evidence which points to the possibility that at least some of the children who have traditionally been labeled as "mentally retarded" may, in reality, merely be the products of "retarded homes." Probably the most remarkable finding in this area is that many children classified as "mental retardates" can be taught to read at an early age. These preliminary findings are now being tested experimentally with a large number of children in a cooperative research project at Boston University. Research to date has indicated that apparent retardation may actually result from a family environment in which there has been no stimulation for young minds; where the home lacks books, magazines, and newspapers, and where there are few interests other than in the most immediate material problems. The next research step in this area is to determine which "retarded" children are actually "familial retardates" and to devise the educational means of developing and utilizing their wasted abilities.

6. *Juvenile delinquency*.—The past year has witnessed the emergence of an important breakthrough in research in the causes and treatment of juvenile delinquency. In the past, there has been a tendency to attribute delinquency to a host of factors—poverty, slums, broken homes, mental deficiency, and the like. Now research studies available indicate that, just as specific types of disease have specific causative agents, so specific types of delinquent behavior may result from different types of social environments. One study, for example, has indicated that there are at least three distinct types of social environment which produce three distinctly different types of delinquency. One is the criminal subculture which encourages the development of the hardened criminal. This type of environment emerges in a neighborhood characterized by close bonds between different age levels of offenders and between criminal and conventional elements. Another is the conflict subculture which stimulates youngsters to turn to violence; in this environment there are severe limitations on both conventional and criminal opportunity and a lack of social control. The third is the retreatist type of subculture which is characterized by excessive drug users. This subculture occurs where youngsters fail both in success in the criminal world and in proficiency in the use of violence, and thus have no status. As research knowledge of the more specific causes of delinquency proceeds, it should become possible to proceed with the development of definite programs of prevention. One such experimental program is already underway in a cooperative research project with the New York State Department of Education. The researchers in this study are experimentally designing techniques of group counseling which can be used with predelinquent children. From this study will emerge a usable system of dealing with delinquency before it becomes an established pattern of behavior.

These summaries present important findings in only six areas. Results of equal significance are also emerging in many additional problem areas such as—

- (a) Identification and development of gifted students.
- (b) Language achievements of the mentally retarded.
- (c) Teaching spatial concepts to blind children.
- (d) Motivations of youth for leaving school.
- (e) Relationship of school experiences to juvenile delinquency.

- (f) Effects of various teaching methods on the achievement of elementary school children.
- (g) Development of language and of reading skills in young children.
- (h) Financing of education in urban areas.
- (i) Improving the effectiveness of college training.

COMMISSIONER'S VIEWS ON COOPERATIVE RESEARCH

Mr. FOGARTY. Is there anything you would like to add concerning the worthwhileness of this program of cooperative research?

Mr. McMURRIN. I would like to say this: We recognize that this field of research is comparatively new to people. The people who are doing research in the field recognize that it needs maturing, that we need to develop techniques and avenues through which we could make sure that the results of research are practical in the educational processes of the Nation.

This is one reason why we feel the necessity for the establishment of research centers.

We do not want to do research on trivial things and we are willing to recognize that sometimes this has been the case.

We do not want to fund research that does not have promise for producing practical results in American education, given time. We are anxious to see the thing followed through to practical consequences in the schools and this can best be done, we believe, through the avenue Mr. Flynt has described, which will tie the schools and research agencies together in a package.

EXPANSION OF TEACHING IN EDUCATION OF THE DEAF

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities: Grants to institutions of higher learning (total program costs—obligations) (object class 41) -----		1, 179	1, 500
Financing:			
Comparative transfers to other accounts -----		59	-----
Unobligated balance lapsing -----		337	-----
New obligational authority (appropriation) -----		1, 575	1, 500

Mr. FOGARTY. On the subject of expansion of teaching in educating the deaf, the appropriation for 1962 and the request for 1963 are both \$1.5 million, the maximum authorized. We will place your statement in the record at this point.

(The statement follows:)

STATEMENT BY COMMISSIONER OF EDUCATION ON EXPANSION OF TEACHING IN EDUCATION OF THE DEAF, OFFICE OF EDUCATION

An amount of \$1,500,000 is requested for fiscal year 1963 to continue the program authorized by Public Law 87-276, which is designed "to make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities." Public Law 87-276 was approved on September 22, 1961, and has been implemented by an appropriation of \$1,500,000 in fiscal year 1962, the maximum amount authorized. The 1963 appropriation is the same as that enacted for 1962, but an increase of \$321,000 over the funds actually available in 1962.

The purposes of the program are twofold: (1) to establish and maintain training scholarships for qualified persons who desire to enroll in courses of training and study for preparation as teachers of the deaf, and (2) to establish or expand courses of training or study at accredited public and nonprofit training institutions through a program of grants-in-aid.

Of the approximately 35,000 school-age children and youth who are deaf, about 8,000 are not currently receiving specialized help from the schools. Others are being taught by teachers not fully prepared to instruct the deaf. During 1962 it is expected that approximately 260 scholarships (tuition and fees plus stipends) will be made available for the 1962-63 academic year and about 30 colleges will receive grants-in-aid to improve and strengthen their programs. For the following academic year (1963-64) it is estimated that the number of scholarships to be financed from the 1963 appropriation request will be increased to 360.

SCHOOL AGE DEAF CHILDREN NOT RECEIVING HELP

Mr. FOGARTY. The justifications say that there are 8,000 school age deaf children not receiving specialized help they need from the schools. That is a rather conservative estimate. I thought there were more.

Mr. HUGHES. I think the figure of 8,000 represents those not receiving any service. I think there are substantially larger numbers receiving less than fully qualified services.

Perhaps Mr. Featherston could elaborate on that point.

Mr. FOGARTY. I was just quoting from your justifications where you say there are 8,000 now not receiving specialized help that they need from the schools.

Mr. FEATHERSTON. That is the totally deaf; those with hearing problems, that is a very much larger problem.

There are estimated to be about 2 million of those and it is estimated that not over a fourth of them are receiving all of the services they should.

That 8,000 is the totally deaf, not in a residential school or day school or anything of the sort.

EFFECT OF RESERVE

Mr. FOGARTY. How is this reserve for savings of \$337,000 going to help this program?

Mr. HUGHES. By saving us the trouble of awarding 90 undergraduate and 9 graduate fellowships this year.

Mr. FOGARTY. Is that what you were cut back?

Mr. HUGHES. That is right. The \$321,000 would have financed 90 undergraduate fellowships and 9 graduate fellowships which would otherwise have been awarded.

Mr. PATEROS. \$16,000 of that reserve was for administrative expenses.

POTENTIAL FOR TRAINING SPECIAL EDUCATION TEACHERS

Mr. FOGARTY. If there was no limitation on this authorization, how much do you think you could use?

Mr. FEATHERSTON. I think it is quite probable they could not use any more than that this next year. Eventually they could use more than that, but it is estimated they need about 500 teachers a year and they are now training about 200. If this amount trains 360, as is estimated, the amount supplied will meet the need at the present time.

The major problem currently is training the 360 with the facilities that are now available. There are not many schools in the business

and they have very few people prepared to train these people; that is, teaching the deaf alone, and not those with hearing problems.

Mr. FOGARTY. I know, but we are not training teachers to teach the teachers?

Mr. FEATHERSTON. No, we are not.

Mr. FOGARTY. This is different than the mentally retarded?

Mr. McMURRIN. Yes, sir.

Mr. FOGARTY. We are training teachers to train the teachers for the mentally retarded?

Mr. HUGHES. That is right; a leadership program.

PROGRAM PLANS

Mr. FOGARTY. Tell us what you have done so far and what you plan for the rest of 1962 and tell us what are you going to do in 1963 under this budget?

Mr. FEATHERSTON. So far this year, we have had a meeting with the Advisory Committee; the Advisory Committee was appointed and met in January. We have sent information on the training program to all teacher-training institutions and we have about 50 requests for application blanks. We have no way of knowing how many applications will be received. The committee will meet again this March and they will make recommendations on the approval of the applications for these scholarships.

In 1963, there would be no difference except, as Mr. Hughes indicated, there would be an increase of approximately 100 in the number of scholarships granted.

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	7,596	8,252	8,998
Positions other than permanent.....	278	260	187
Other personnel compensation.....	68		
Total personnel compensation.....	7,942	8,512	9,185
12 Personnel benefits.....	551	625	672
21 Travel and transportation of persons.....	605	771	913
22 Transportation of things.....	8	3	8
23 Rent, communications, and utility services.....	221	236	292
24 Printing and reproduction.....	543	517	594
25 Other services.....	485	695	843
26 Supplies and materials.....	90	98	98
31 Equipment.....	45	89	86
32 Lands and structures.....		60	
Total costs.....	10,490	11,606	12,691
Change in selected resources.....	6	-76	50
Total obligations.....	10,496	11,530	12,74

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	1, 028	1, 110	1, 177
Full-time equivalent of other positions.....	44	32	23
Average number of all employees.....	1, 006	1, 048	1, 133
Number of employees at end of year.....	1, 114	1, 138	1, 205
Average GS grade.....	9.0	9.3	9.3
Average GS salary.....	\$7, 885	\$8, 123	\$8, 106

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Statistics and research.....	\$1, 730	\$2, 199	\$2, 506
2. Administration of school assistance in federally affected areas.....	1, 462	1, 464	1, 493
3. Vocational education.....	859	1, 049	1, 032
4. Higher education.....	1, 885	1, 913	2, 079
5. International education.....	364	392	464
6. State and local school systems.....	2, 467	2, 720	2, 867
7. Program direction and services.....	1, 723	1, 869	2, 250
Total program costs.....	10, 490	11, 676	12, 691
Change in selected resources ¹	6	-76	50
Total obligations.....	10, 496	11, 530	12, 741
Financing:			
Comparative transfers, to or from (-) other accounts.....	3, 356	-59	-----
Unobligated balance lapsing.....	23	123	-----
New obligational authority (appropriation).....	13, 875	11, 594	12, 741

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960 \$320,000; 1961, \$326,000; 1962, \$250,000; 1963, \$330,000.

Mr. FOGARTY. Now we get down to one of your most important areas, "Salaries and expenses."

Mr. McMURRIN. I will read a summary statement, Mr. Chairman.

Mr. FOGARTY. Go ahead.

Mr. McMURRIN. Then I will submit a full statement for the record.

GENERAL STATEMENT

Mr. McMURRIN. Mr. Chairman and members of the committee, the request for "Salaries and expenses" for fiscal year 1963 is \$12,741,000, representing an increase of \$1,072,000 over the comparable appropriation for the current year, and \$1,211,000 over estimated 1962 obligations.

The additional requirements are necessary to insure the improvement of educational quality through: (1) the initiation of a social studies curriculum project; (2) the establishment of a research information center; (3) the continued improvement and expansion of the statistical program to help meet the national need for educational statistics; (4) the expansion of the college information center to provide high school students and their parents with information about higher education and financial aids; (5) the strengthening of the overall program planning and coordination of Office activities; and (6) the administration of the additional workload related to the National Defense Education Act and other activities. I shall present brief explanations of the net increases requested. We will then be glad to answer any questions.

STATISTICS AND RESEARCH

An increase of \$376,625 is requested to continue the present staff on a full-year basis and provide 21 additional positions for continued improvement and expansion of the statistical program to help meet the national need for educational statistics; to plan and operate a research information center which will analyze and store information on educational research and serve as a national clearinghouse; to provide for additional workload in the Cooperative Research Branch; and for strengthening the program planning of the Division and the overall program of the Office. Also included are funds for machine costs of additional statistical surveys for contracts for the research information center and for equipment for the new educational media demonstration center.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

An increase of \$29,565 is requested to provide the level of employment deemed necessary to administer the school-assistance programs effectively and additional travel requirements to enable the field staff to make promptly the necessary reviews of applications for school assistance.

VOCATIONAL EDUCATION

An increase of \$11,140 is requested to maintain a level of employment necessary to insure sound administration of the vocational education programs.

HIGHER EDUCATION

An increase of \$163,815 is requested to continue the present staff on a full-year basis and to provide for 10 additional positions for the expansion of the college information center established in 1962 which is designed to provide more complete information to parents, prospective students, and counselors about the characteristics and costs of colleges and universities; for the initiation of a social studies research and demonstration project similar to that already begun in the field of English; for strengthening the program planning of the Division and overall Office activities; and provision of a level of employment necessary to carry out designated programs.

INTERNATIONAL EDUCATION

An increase of \$77,205 is requested to continue the present staff on a full-year basis and to provide four additional positions to assist foreign delegations and individuals being sent to the United States from nations around the world to study American education; to direct the program of comparative education studies; and to strengthen the program planning of the Division. Included in the request is \$45,000 for contract studies of education in other countries.

STATE AND LOCAL SCHOOL SYSTEMS

An increase of \$178,660 is requested to continue the present staff on a full-year basis and to provide for 13 additional positions to initiate the Office-wide project for improving curriculum in the social studies,

and support the project "Federal funds for the support of educational programs and institutions"; in addition, provision is made for 3 additional youth congresses to stimulate science club activities and to assure maximum utilization of resources in the implementation of the Division's programs.

PROGRAM DIRECTION AND SERVICES

An increase of \$373,990 is requested to continue the present staff on a full-year basis and to provide 19 additional positions for additional workload in the Publications Branch; and in the areas of budget, fiscal, audit, and general services. Included in this increase is \$100,000 for printing needs, to overcome in part a backlog of publications. Other items in the increase requested include rental of space in the amount of \$41,000 to provide for the 67 new positions requested, and consultant services of leaders in education and specialists in other fields to provide the expert advice needed for leadership to the programs of the Office of Education.

Mr. FOGARTY. Thank you. We will place your more lengthy statement in the record at this point.

(The complete statement follows:)

STATEMENT BY COMMISSIONER OF EDUCATION ON SALARIES AND EXPENSES, OFFICE OF EDUCATION

Mr. Chairman and members of the committee, the request for "Salaries and expenses" for fiscal year 1963 is \$12,741,000, representing an increase of \$1,072,000 over the comparable appropriation for the current year, and \$1,211,000 over estimated 1962 obligations. The additional requirements are necessary to insure the improvement of educational quality through (1) the initiation of a social studies curriculum project; (2) the establishment of a research information center; (3) the continued improvement and expansion of the statistical program to help meet the national need for educational statistics; (4) the expansion of the college information center to provide high school students and their parents with information about higher education and financial aids; (5) the strengthening of the overall program planning and coordination of Office activities; and (6) the administration of the additional workload related to the National Defense Education Act and other activities. I shall present brief explanations of the increases requested.

STATISTICS AND RESEARCH

The road to further advances in education must be paved with precise data, objective research, and sharply defined experiments to insure that the quality and quantity of education in the future will meet the demands of our society. The essential role of the Division of Statistics and Research is to further the research base for educational planning and development through the activities of its four branches: educational statistics, cooperative research branch, library services, and educational media. These activities include: (1) collecting, verifying, analyzing, and reporting educational data; (2) implementing Public Law 531, 83d Congress (the Cooperative Research Act) through stimulation and support of research, surveys, and demonstrations in the field of education; (3) administering the Library Services Act, and providing research and studies concerning libraries; (4) aiding and fostering research and experimentation in the more effective utilization of television, radio, motion pictures, and related media which can be utilized for educational purposes as authorized by title VII of the National Defense Education Act, and administering the program of captioned films for the deaf.

We are requesting an increase of \$376,625 which is necessary to annualize 28 positions established in 1962, to provide a reasonable level of employment for previously authorized positions, and to provide 21 additional positions for the following purposes:

Nine positions in the Educational Statistics Branch for continued improvement and expansion of the statistical program to help meet the national need for educational statistics. An amount of \$74,000 is requested for machine rental by contract of high-speed electronic computers to increase the output of questionnaire review and analysis of statistical data.

Four positions in the Cooperative Research Branch to cope with the additional workload involved in the increased number of research proposals and projects under contract, to assist in the special stimulation activities of the research and demonstration activities conducted as Projects English and Able Students, and to aid in the initiation of a similar cooperative research endeavor, Project Social Studies.

Four positions to inaugurate an Educational Research Information Center to facilitate the full interchange of research information among government officials, researchers, educators and other interested persons. This center will analyze and store information on educational research and serve as a national clearinghouse.

Four positions in the area of program planning of the Division to provide maximum utilization of resources in the implementation of its programs.

Included in the increase is an amount of \$25,000 for leasing of equipment of new educational media for the demonstration center which was established in Federal Office Building No. 6 with funds provided in the current year's budget. This center is planned as a facility in which all interested persons will be able to keep up to date with the latest and best film and videotape instructional processes.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

Public Laws 815 and 874, as amended, authorize Federal assistance to public schools which are affected by Federal activities. The 87th Congress extended these laws through June 30, 1963. The estimate for administration of grants for school assistance in 1963 amounts to \$1,492,905, an increase of \$29,565 which will provide the level of employment deemed necessary to administer the school assistance programs effectively and to enable the field staff to make prompt reviews of the applications for school assistance.

VOCATIONAL EDUCATION

The Division of Vocational Education administers the vocational education acts (Smith-Hughes Act, George-Barden Acts, and supplemental acts) for training in the areas of agricultural education, distributive education, home economics education, trade and industrial education, practical nurse education, fishery trades and industry, teacher training, and the training of highly skilled technicians in area vocational programs.

The increase of \$11,140 we are requesting for vocational education is necessary in order to maintain the level of employment necessary to carry out these vocational programs efficiently.

HIGHER EDUCATION

The Nation's colleges and universities face problems that will continue to increase in magnitude and severity. The Nation itself requires more and more from these institutions—the accommodations of the larger and larger numbers of students, and the adjustment of programs of study to the requirements of a rapidly changing complex of social, economic, and international influence. The Division of Higher Education focuses its resources on the following activities: Identifying, evaluating, and interpreting national needs and problems in higher education; collecting, analyzing, and disseminating data and information; and furnishing appropriate, service-based leadership and assistance in meeting the needs and problems in higher education.

The amount requested for fiscal year 1963 involves an increase of \$163,815 to annualize 14 positions established in fiscal year 1962, to provide the level of employment of previously authorized positions necessary to carry out designated programs of the Division, and to provide the addition of 10 new positions and related expenses as follows:

Four additional positions for the expansion of the college information center established in 1962, which is designed to provide more complete information to parents, prospective students, and counselors about the characteristics and costs of colleges and universities.

Three additional positions for the initiation of a social studies curriculum project, a substantial effort to improve curricula in the teaching of the social sciences at all levels. Research activities involved in this project are included in the appropriation "Cooperative research."

Three additional positions for the strengthening of program planning of the Division and overall Office activities.

INTERNATIONAL EDUCATION

The Division of International Education has the major Government responsibility to inform the American people and its educators of developments in international education and the status of education in countries around the world. It cooperates with the Department of State, the Agency for International Development, and UNESCO in recruiting for educational programs, administering training programs, and in providing professional support for American educators serving overseas. It works with American educators, on their request, to strengthen international education for Americans, and makes policy recommendations on education in international affairs.

The \$77,205 increase requested will provide four additional positions and related expenses to direct the program of comparative education studies, to assist foreign delegations and individuals being sent to the United States from nations around the world to study American education and to strengthen program planning of the Division and overall Office activities.

Included in the increase requested is an amount of \$45,000 for contracts to carry out major studies of education in other countries.

STATE AND LOCAL SCHOOL SYSTEMS

This activity provides consultation and technical assistance, conducts research, develops educational materials, and furnishes advisory services to national educational organizations and State and local school systems in assisting American education to achieve certain national objectives in the areas of elementary and secondary education. These objectives include: the offering of a balanced curriculum; optimum utilization of the teacher's talents; improvement of financial support; modification of the size of school districts and schools to facilitate the provision of suitable education; efficient use of funds and effective administration; and provision of safe, healthful housing.

In addition, the Division administers the programs authorized by the National Defense Education Act, including financial assistance to States for strengthening science, mathematics, and foreign language instruction; for guidance, counseling, and testing, and for improving statistical services; administration of the grant program to increase training of personnel in education of the mentally retarded and to encourage and assist in the establishment of science clubs.

Two new activities in 1962 are the administration of the program of expansion of teaching in education of the deaf, Public Law 87-276, approved September 22, 1961, and the educational program on juvenile delinquency and youth crime which is conducted as a part of the Department's overall program as authorized by the Juvenile Delinquency and Youth Offenses Control Act of 1961.

The increase of \$178,660 is requested to annualize 8 positions established in 1962, to provide the level of employment of previously authorized positions to carry forward the Division's programs and to provide the addition of 13 new positions and related expenses as follows:

Five additional positions for the initiation of the officewide project for improving curriculum in the social studies.

Five positions to administer the project, "Federal funds for educational programs and institutions." The nature and extent of Federal support of education is of such significance that Congress, the general public, and educators are seeking frequent and specific information on the subject. The total range and impact of Federal programs require continued study and evaluation.

Three additional positions for the strengthening of program planning of the Division and overall Office activities.

Included in the increase requested is an amount of \$15,000 for three additional youth congresses.

PROGRAM DIRECTION AND SERVICES

Central direction and services to facilitate and implement the various programs of the Office include the immediate Office of the Commissioner, the Legislative and Program Development Branch, the Publications Services Branch, the Administrative Management Branch, and the Field Service.

The increase of \$373,990 we are requesting is necessary to annualize 9 positions established in 1962 to maintain a reasonable level of employment for positions previously authorized and provide for 19 additional positions for the following purposes:

Five positions to keep up with the editorial workload, to meet deadline commitments in the dissemination of information and to integrate artwork more closely with the editorial process to produce more effective publications.

Fourteen positions for improving management services in the areas of budget, fiscal, audit, and general services. The increase in workload constitutes the need for these positions.

Included in the increase requested is an amount of \$100,000 to provide for a part of the backlog of printing needs to insure timely publications of research studies and surveys. Other items in the increase requested, are rental of space in the amount of \$41,000 to provide for the 67 new positions requested, and consultant services of leaders in education and specialists in other fields to provide the expert advice needed for leadership to the programs of the Office of Education.

ADEQUACY OF THE NEW BUILDING

Mr. FOGARTY. Do you have all the room you need in the new building?

Mr. HUGHES. No, we do not.

Mr. PATEROS. Two divisions are still located in another building from the one we are in.

Mr. FOGARTY. How many floors do you have?

Mr. HUGHES. We occupy the first four floors of the building and part of the basement space.

Mr. FOGARTY. Is the Space Agency there?

Mr. HUGHES. The National Aeronautics and Space Agency is on the top three floors.

Mr. KELLY. All efforts are being directed with the hopes that we can, working with the Space Agency and with the General Services Administration, have them occupy one of the buildings now under construction on Independence Avenue and turn the balance of that building over to us. We do not know whether this will work out this way.

Mr. FOGARTY. That would be a logical place for you people to take over?

Mr. KELLY. Yes, sir.

Mr. FOGARTY. You could use another floor down there?

Mr. McMURRIN. Yes.

Mr. HUGHES. The problem of reorganization will certainly be aggravated by the split staff and the inability to get these new bureaus together in one place.

EFFECT OF PLACING FUNDS IN RESERVE

Mr. FOGARTY. Your appropriation for 1962 is \$11,594,000 and the request for 1963 is \$12,741,000.

Last year Congress cut your request \$270,000 and then the Secretary cut it another \$123,000 after we made the appropriation. How are these cuts for 1962 being applied?

Mr. HUGHES. We have this year taken from the staff of the Office of Education 16 approved positions totaling \$123,000 which have been canceled from the staff of the Office of Education.

Mr. FOGARTY. Give us a breakdown of those positions and what they were to be used for.

Mr. HUGHES. Yes, sir.

(The requested information follows:)

POSITIONS ABOLISHED DURING FISCAL YEAR 1962

STATISTICS AND RESEARCH SERVICES

Mathematical statistician, GS-14: To develop sample designs and methodology for making estimates from samples in new and complicated surveys areas; to develop new mathematical and statistical methods as required to carry on projects in areas in which statistics are not now available; and to assist in the conduct of staff seminars in the improvement of statistical standards and methodology.

Coordinator of statistical services, GS-13: To provide assistance in the design and conduct of statistical surveys; to assist in the clearance of survey plans with the Bureau of the Budget; to coordinate statisticals required to complete projects; to provide assistance in the planning and development of reports on statistical surveys; and to review such manuscripts for statistical standards.

Clerk (typing), GS-4: To perform technical typing of machine processing specifications for statistical tabulation and related clerical activities.

Secretary, GS-5: To perform a variety of secretarial and stenographic tasks necessary in the development of plans and procedures for the operation of the demonstration center.

HIGHER EDUCATION

Specialist for faculty administration, GS-14: To develop information on the character and extent of faculty participation in and execution of institutional policies; to make comparative studies of faculty recruitment and retention records in colleges having varying degrees of faculty participation in institutional organization, management, and promotional matters; to study the effectiveness of utilizing the several types of professional staff on the campus to develop and promote the institution through improved public relations with implications for private gifts and bequests, student recruitment, and graduate placement.

Specialist for language research, GS-13: To perform research and prepare studies dealing with modern foreign-language instruction and to carry out evaluations and comparisons needed for most effective distribution of language development contracts.

Secretary, GS-4 (2): To perform the usual secretarial duties necessary in the development of plans and procedures for the operation of the College Information Center; and to perform secretarial services in the administration of the guidance and counseling institutes program.

STATE AND LOCAL SCHOOL SYSTEMS

Specialist (mathematics) GS-14: To provide professional services to State educational agencies in the development and evaluation of the title III NEA programs through (a) direct consultation on planning State programs, organizing and conducting State inservice training workshops, evaluating State programs; and (b) studies and publications to assist the State agencies in developing and strengthening their programs.

Specialist (arts) GS-14: To provide leadership to stimulate interest in and improve the teaching of the arts, particularly fine arts and music; to provide consultative services to elementary and secondary schools, and to art supervisors in State departments of education and city school systems; to conduct studies and prepare bulletins and other materials for publication and dissemination.

Specialist (science aerospace) GS-13: To operate a clearinghouse for materials related to aviation and aerospace in cooperation with the Federal Aviation Agency and the Civil Air Patrol which serves as a central source of information on all phases of aviation and aerospace activities.

Secretary (stenography) GS-5 (2): To perform secretarial duties for the specialist (mathematics) and specialist (arts).

PROGRAM DIRECTION AND SERVICES

Editor GS-9: To edit a wide variety of Office of Education publications covering all levels and many subject fields of education; to provide assistance to authors regarding the style and format of the publications; to review contents of educational research reports for completeness, effectiveness of treatment, and conformity to standards of editorial and literary quality; to make evaluations of manuscripts and to give opinions and judgments on the effectiveness of manuscripts.

Auditor, GS-11: To perform audits at institutions of higher education, professional organizations, and associations with which the Office of Education has financial transactions.

Secretary, GS-5: To perform secretarial duties for the Assistant Director, Office of Field Service.

INCREASE IN 1963 BUDGET

Mr. FOGARTY. The Secretary and the Bureau of the Budget turned around and approved the budget for 1963 that allows you \$1,211,000 more than they cut you back to in 1962.

This is another on-again-off-again situation, Mr. Kelly. This is a better example of on-again-off-again than some of those others we gave you last week.

Mr. KELLY. I think there is no question but what the Secretary recognized the importance of leadership in the Office of Education and given the opportunity, he has supported an expansion in that area.

Mr. FOGARTY. The program increases are set forth in outline form on pages 39 and 40.

You gave us a brief description of these increases but we will place in the record a statement on all of them.

Mr. HUGHES. Yes, sir.

Mr. FOGARTY. And a breakdown of the additional positions.

Mr. HUGHES. Yes, sir.

(The requested information follows:)

SALARIES AND EXPENSES, OFFICE OF EDUCATION

Summary of changes

1962 enacted appropriation-----	\$11, 594, 000
Comparative transfer from other accounts-----	59, 000
Administrative reserve-----	—123, 000
Total estimated obligations, 1962-----	11, 530, 000
1963 estimated obligations-----	12, 741, 000
Total change-----	1, 211, 000

INCREASES

A. "Built-in":

1. Annualization of 63 positions authorized in 1962:

Personnel compensation-----	135, 665
Other related costs-----	9, 905
Subtotal, "built-in"-----	145, 570

B. Program increases:

1. For expanded services of educational statistics and co-operative research; the establishment of a research information center; and for strengthening the division and overall program planning of Office activities:

Personnel compensation for 21 positions and to provide level of employment necessary to carry out designated programs-----	160, 745
Other related costs-----	67, 015
Machine tabulation-----	74, 000
Contracts, research information center-----	50, 000
Demonstration center equipment-----	25, 000
Subtotal-----	376, 760

2. To provide funds to maintain current staff at the level of employment necessary to administer school assistance programs, and to increase number of travel days:

Personnel compensation-----	12, 065
Other related costs-----	17, 500
Subtotal-----	29, 565

3. To provide funds to maintain current staff at the level of employment necessary to administer vocational education programs:

Personnel compensation-----	10, 500
Other related costs-----	640
Subtotal-----	11, 140

4. For expanded services in higher education in connection with project social studies, the College Information Center, and for strengthening the division and overall program planning of Office activities:

Personnel compensation for 10 positions and to provide level of employment necessary to carry out designated programs-----	108, 435
Other related costs-----	40, 370
Subtotal-----	148, 805

Summary of changes—Continued

INCREASES—continued

B. Program increases—Continued

5. For expanded services in international education and for strengthening the division and overall program planning of Office activities:	
Personnel compensation (4 positions)-----	\$25, 310
Other related costs-----	8, 490
Contracts, comparative education-----	45, 000
International Bureau of Education Report translation-----	800
Printing of International Bureau of Education Report-----	3, 000
Subtotal-----	82, 600
6. For expanded services in State and Local School systems in connection with project social studies, for the support of the project, "Federal Funds for Educational Programs," and for strengthening the division and overall program planning of Office activities:	
Personnel compensation for 13 positions and to provide level of employment necessary to carry out designated programs-----	99, 175
Other related costs-----	37, 070
Conference, social studies-----	12, 500
Contracts for science congresses-----	15, 000
Subtotal-----	163, 745
7. For improvement of program direction and services in the areas of publication services, budget, fiscal, audit, and general services:	
Personnel compensation for 19 positions and to provide level of employment necessary to carry out designated programs-----	121, 175
Other related costs-----	110, 905
Construction and design of new exhibit-----	6, 400
Subtotal-----	238, 480
8. Office of Education printing backlog-----	100, 000
9. Rental of office space (Federal Office Building No. 6)-----	41, 000
10. Equipment for conference rooms-----	9, 750
Subtotal, program increases-----	1, 201, 845
Gross increases-----	1, 347, 415
DECREASES	
A. Nonrecurring equipment related to new staff in 1962-----	72, 415
B. Physical changes for demonstration center-----	60, 000
C. Refurbishing of the Geneva exhibit-----	4, 000
Subtotal, decreases-----	136, 415
Total, net change requested-----	1, 211, 000

EXPLANATION OF CHANGES

Statistics and research services

An increase of \$376,760 is requested to provide 21 additional positions for: (1) continued improvement and expansion of the statistical program to help meet the national need for more timely and more adequate educational statistics; (2)

the establishment of a research information center which will analyze and store information on educational research and statistics, and serve as a national clearinghouse reference source; (3) the increased workload in the cooperative research branch; (4) the strengthening of program planning for the division and for the overall program of the Office; and (5) a level of employment necessary to carry out designated programs.

School assistance in federally affected areas

An increase of \$29,565 is requested to provide funds to maintain current staff at the level of employment necessary to administer school assistance programs and to increase number of travel days necessary to enable the field staff to make promptly the necessary reviews of the applications for school assistance.

Vocational education

An increase of \$11,140 is requested to provide funds to maintain current staff at the level of employment necessary to administer vocational education programs.

Higher educations

An increase of \$148,805 is requested to provide 10 additional positions for: (1) initiation of a social studies curriculum project similar to that already begun in the field of English; (2) expansion of the College Information Center established in 1962 which is designed to provide more complete information to parents, prospective students, and counselors about the characteristics and costs of colleges and universities; (3) strengthening of program planning of the divisional and overall Office activities; and (4) provision for a level of employment necessary to carry out designated programs.

International education

An increase of \$82,600 is requested to provide four additional positions for expansion of services in comparative education; staffing of nonprogram visitors; printing and translation of the International Bureau of Education Report; comparative education contracts; and to strengthen the program planning for the division and for overall Office activities.

State and local school systems

An increase of \$163,745 is requested to provide 13 positions for the initiation of a social studies curriculum project in cooperation with the division of higher education; for support of the project entitled "Federal Funds for the Support of Education Programs and Institutions"; for the stimulation of science club activities; for strengthening program planning for the division and for overall office activities; and for providing a level of employment necessary to carry out designated programs.

Program direction and services

An increase of \$238,480 is requested in order to meet the increased budget, fiscal, personnel, and general services workload resulting from the National Defense Education Act and other activities; for the construction and design of a new exhibit to be displayed in the lobby of Federal Office Building No. 6; for consultant services necessary to assist the Commissioner of Education in developing programs, activities, and publications to meet the ever-growing needs in the field of education; and for provision of level of employment necessary to carry out designated programs.

Other increases requested include \$100,000 for Office of Education printing to bring up to date a backlog of printing needs and provide for timely publications of research, survey and conference results; \$41,000 for the rental of office space for the 67 new positions requested; and \$9,750 to equip eight conference rooms provided in Federal Office Building No. 6.

New positions requested, fiscal year 1963

	Grade	Annual salary
Statistics and research:		
Educational statistics:		
Systems coordinator.....	GS-14.....	\$12,210
Survey statistician.....	GS-12.....	8,955
Coordinator of statistical services.....	GS-11.....	7,560
Computer programmer.....	GS-11.....	7,560
Survey statistician.....	GS-9.....	6,435
Research assistant.....	GS-7.....	5,355
Reports analyst.....	GS-6.....	4,830
Secretary (2).....	GS-5.....	8,690
Total.....	9.....	61,595
Cooperative research:		
Research associate (2).....	GS-9.....	12,870
Secretary (2).....	GS-5.....	8,690
Total.....	4.....	21,560
Research Information Center:		
Chief, Educational Research Information Center.....	GS-15.....	13,730
Educational research specialist.....	GS-12.....	8,955
Secretary.....	GS-6.....	4,830
Secretary.....	GS-5.....	4,345
Total.....	4.....	31,860
Planning and administration:		
Program planning officer.....	GS-15.....	13,730
Program planning officer.....	GS-14.....	12,210
Secretary.....	GS-6.....	4,830
Secretary.....	GS-5.....	4,345
Total.....	4.....	35,115
Total, statistics and research.....	21.....	150,130
Higher education:		
College Information Center:		
Specialist for institutional information.....	GS-14.....	12,210
Specialist for student financial assistance.....	GS-14.....	12,210
Research assistant.....	GS-7.....	5,355
Secretary.....	GS-5.....	4,345
Total.....	4.....	34,120
Project social studies:		
Specialist for Social Studies Curriculum.....	GS-14.....	12,210
Research Assistant.....	GS-9.....	6,435
Secretary.....	GS-5.....	4,345
Total.....	3.....	22,990
Planning and administration:		
Program Planning Officer.....	GS-15.....	13,730
Program Planning Officer.....	GS-14.....	12,210
Secretary.....	GS-6.....	4,830
Total.....	3.....	30,770
Total, higher education.....	10.....	87,880
International education:		
Comparative education: Chief, comparative education.....	GS-14.....	12,210
Nonprogram visitors: Nonprogram visitor specialist.....	GS-12.....	8,955
Program planning:		
Program Planning officer.....	GS-14.....	12,210
Secretary.....	GS-5.....	4,345
Total.....	2.....	16,555
Total, international education.....	4.....	37,720
State and local school systems:		
Improvement of social studies education:		
Project director.....	GS-15.....	13,730
Specialist, geography.....	GS-14.....	12,210
Specialist, junior high.....	GS-13.....	10,635
Secretary.....	GS-6.....	4,830
Clerk-stenographer.....	GS-5.....	4,345
Total.....	5.....	45,750

New positions requested, fiscal year 1963—Continued

	Grade	Annual salary
State and local school systems—Continued		
Federal funds for educational programs and institutions:		
Specialist, school finance.....	GS-14	\$12, 210
Specialist, public finance.....	GS-13	10, 635
Research assistant.....	GS-7	5, 355
Secretary-stenographer.....	GS-6	4, 830
Clerk-stenographer.....	GS-4	4, 040
Total.....	5	37, 070
Program planning and administration:		
Program planning officer.....	GS-15	13, 730
Program planning officer.....	GS-14	12, 210
Secretary-stenographer.....	GS-6	4, 830
Total.....	3	30, 770
Total, State and local school systems.....	13	113, 590
Program direction and services:		
Budget management services: Budget analyst.....	GS-13	10, 635
Fiscal advisory and audit:		
Auditor (2).....	GS-12	17, 910
Auditor (4).....	GS-11	30, 240
Reports typist.....	GS-5	4, 345
Total.....	7	52, 495
Fiscal management:		
Systems accountant.....	GS-13	10, 635
Accounts maintenance clerk (2).....	GS-5	8, 690
Time, leave, and payroll clerk.....	GS-5	4, 345
Total.....	4	23, 670
General services:		
Forms analyst.....	GS-9	6, 435
Inquiry clerk.....	GS-5	4, 345
Total.....	2	10, 780
Publications services:		
Artist.....	GS-13	10, 635
Editor.....	GS-12	8, 955
Editor.....	GS-11	7, 560
Copy clerk.....	GS-7	5, 355
Secretary.....	GS-5	4, 345
Total.....	5	36, 850
Total, program direction and services.....	19	134, 430
Total, new positions, all activities.....	67	523, 750

ORGANIZATIONAL POSITION OF MENTALLY RETARDED ACTIVITY

Mr. FOGARTY. In the report last year, we indicated disappointment that your activity for the mentally retarded was not given a more prominent place in your organizational structure.

What have you done about that?

Mr. McMURRIN. We have given it more visibility and more status in the structure, sir, by raising it to a branch status where it was formerly a section, and a position of Director of the Branch is—

Mr. FOGARTY. Expand on that for the record later.

Mr. McMURRIN. All right.

(The requested information follows:)

A more prominent place has been given to activities in the field of mental retardation in the new organizational structure of the Office of Education. A branch, Education for Exceptional Children Branch has been established in the Division of Elementary and Secondary Education to reflect the need for special recognition of the growing responsibilities of the Office for providing services to exceptional children.

About 5 million school-age children have extreme or unusual mental, emotional, social, or physical needs. One common problem underlies the educational planning for all of them—that is the need for something “different from” or “in addition to” the regular school program. Legislation has been enacted to support fellowship programs in the field of mental retardation and the deaf. The administration of these programs is lodged in this Branch. Staff services are provided to the Advisory Committee on the Training of Teachers of the Deaf.

Should the proposed legislation to extend the fellowship programs to other areas of exceptionality be enacted, these programs would be administered in this Branch.

SCIENCE CLUB ACTIVITIES

Mr. FOGARTY. What about your science club activities? This committee thought this was a good idea a few years ago.

Mr. FEATHERSTON. One of the provisions of this act was for the promotion of science club activities, and last year we made grants to two States to carry on model State science congresses.

They have worked out so well that we are planning the extension of these congresses to three other States. As for other activities in that field, during the last 2 years we have had specialists working with the various organizations already in existence in this field trying to work out some possible type of organization and to meet the mandate of this law to come back to Congress with a proposal for chartering it.

We think we are about at the stage where something concrete can be proposed in the next few months.

We have been working with at least seven or eight national organizations already in existence in trying to work out something that will involve the resources and support of all of these organizations.

Mr. FOGARTY. Give us for the record a little more detailed explanation.

Mr. FEATHERSTON. Yes, sir.

(The requested information follows:)

SCIENCE YOUTH ACTIVITIES—PROJECT REPORT

The Office science youth activities program, under Public Law 85-875 is designed to encourage the development and strengthening of State and local leadership in fostering science youth activities with special emphasis upon club activities which supplement and enrich classroom programs. The ultimate purpose of these activities is twofold: (1) To stimulate student interest in the sciences, and (2) to provide organized activities, outside the classroom, for the extended development of individual student interests and talents in the sciences.

1. SCIENCE CONGRESSES

During the last fiscal year the Office inaugurated a new science congress activity in cooperation with the State Departments of Education in Texas and Massachusetts. The Office has adopted the policy of providing financial and professional assistance to selected State departments for the purpose of developing annual statewide science-youth programs as model demonstrations of scientist-teacher-student participation in a comprehensive program involving discussion groups, presentation of scientific papers, talks by eminent scientists, exhibits, professional guidance, and other activities all designed to raise the level of youth

participation, interest, and achievement in scientific endeavors and to broaden the perspectives of science teachers and supervisors.

Three States are participating in the science youth congresses at present. The Office plans to extend the program into three additional States in the coming school year.

After the initial impetus is provided by the Office, it is expected that the annual science youth congresses will grow in number and program quality in each State.

2. SCIENCE CLUB ACTIVITIES

There are approximately 78,000 members in the major science, mathematics, and engineering clubs of the Nation. This compares with 68,000 last year.

The Office has worked directly with the leaders of the various science, mathematics, and engineering club organizations in developing plans for a national organization with Federal sponsorship similar to the Future Farmers of America.

In its efforts to explore with the leaders of the various youth groups means of implementing Public Law 85-875 the Office has found the youth groups unaccustomed to working with one another.

A variety of organizational structures and procedures have been carefully explored with the leadership of the club groups to determine which will best serve the purposes of Public Law 85-875 and, at the same time, provide maximum benefits to the potential scientist, his teacher, and the national welfare.

Program and service plans for a new national science youth organization for this coming school year are being prepared as well as legislative proposals for the organization which is being structured similar to the Future Farmers of America.

CAPTIONED FILMS FOR THE DEAF

Mr. FORGARTY. The request for the program "Captioned films for the deaf" has reached the \$250,000 authorization.

Is that the limitation on appropriations for the program?

Mr. FLYNT. Yes, it is.

Mr. FORGARTY. Can you state the position of the Office of Education with regard to H.R. 5496 which would broaden this program?

Mr. FLYNT. We have prepared a position now before the Bureau of the Budget, Mr. Chairman, but which has not been cleared.

Mr. FORGARTY. I am asking you now.

Mr. FLYNT. The program is artificially cramped by the ceiling. We began tentatively in a small way, and it is very clear that on the present basis of providing entertainment films only and excluding other components, approximately \$1 million could be utilized effectively. The resources are there and the problem of contracting and captioning has been solved successfully.

It is almost an unlimited amount in quantity but on a selective basis we probably could carry a program of about four times this size.

It is becoming apparent that there is a demand being made upon us that cannot be fulfilled by this program; namely, for training and educational films for the deaf, which are not available through this program, and are not legal under it.

There is a third component that is not available under this program; that of training people to work in this area with the deaf.

Mr. FORGARTY. Are you advocating these changes?

Mr. FLYNT. We have advocated them; yes, sir.

EXPENSE OF AN EXPANDED PROGRAM

Mr. FOGARTY. How much will be required in the first year to implement such a broadened program as you speak of?

Mr. FLYNT. Approximately \$1.6 million.

Mr. FOGARTY. Is that all?

Mr. FLYNT. The first year cost only.

Mr. FOGARTY. What would you hope to get up to?

Mr. FLYNT. The program might ultimately reach something over \$5 million.

Mr. FOGARTY. Somewhere around \$5 million?

Mr. FLYNT. We have to be mindful of some of the limitations on the ability to reach the numbers involved. It seems we might make quite a contribution at \$5 million.

EDUCATIONAL STATISTICS

Mr. FOGARTY. Now, Doctor, we haven't gone into much detail about the problem of statistics. Mr. Marshall brought this out last year. I remember when Mrs. Hobby was Secretary of HEW, we got into this problem of statistics. She had one set one year and a different set the next year when she appeared before the committee. It was brought up at that time that the statistics on how many schoolrooms we were short and how many schoolteachers we were short and so forth, were open to some question. For the last 10 or 12 years we have been getting different figures from different people and it was my understanding that we didn't have any really good statistics on this. If you had the funds maybe you could come up with a real statistical program that would give us firm answers on all of these questions about the shortages in classrooms and schoolteachers.

So I am going to give you the opportunity to say what you think is wrong, or has been wrong, and what you think ought to be done. If we can straighten it out and get this thing off on the right track, tell us what you need to do a decent job.

Mr. McMURRIN. I appreciate this opportunity, Mr. Chairman. I well remember when we appeared before your committee last year, the concern that was expressed then for the statistical operation of the Office of Education, and particularly for classroom shortage statistics.

I would like to have a brief statement entered into the record on what we have done during the past year to improve the statistical program of the Office and a statement on the problem of classroom shortages as a particular case.

Mr. FOGARTY. Tell us something about it now and then you can expand on your statement, because Mr. Marshall brought it up and I have brought it up too and we are both here.

PROPOSALS FOR STRENGTHENING STATISTICAL FUNCTIONS

Mr. McMURRIN. Briefly, we have concentrated on the statistical program, raising the question as to whether, as some people have felt, it should be separated from the research program of the Office and established as a separate Statistical Division, or Statistical Bureau. We have in our new organizational plan kept it combined with the research and development activities of the Office because we believe

that it must be fed by them and those activities must depend very heavily on it.

We are reconstructing the statistical operation. We have brought the title X program on the statistics in the State offices into conjunction with the statistical program as a means of strengthening both of them. We are moving in the direction of attracting the highest level talent to the Office of Education. In the field of statistics we find this an extremely difficult thing because statisticians come at high salaries and we simply at the present time do not have supergrades to offer them. We are on the verge—though we haven't actually effected this—of appointing a panel of advisers on educational statistics to advise the Office of Education in this field. And here we expect to have the outstanding people in the Nation, or at least some of them, as advisers to the Office.

Since we were here last, before your committee, Mr. Flynt, who as you know was formerly head of the Legislative and Programing Division of the Office, has been placed at the head of the Division of Research and Statistics. He has given a great deal of time to this whole problem that I have described.

COMMENTS BY THE STATISTICAL BUREAU DIRECTOR

I would like to ask Mr. Flynt to describe the problem as he sees it in the future, of the updating of the statistical operation through a general modernization process, and to give you some idea of the costs and also, in conjunction with this, to comment on this problem of classroom statistics.

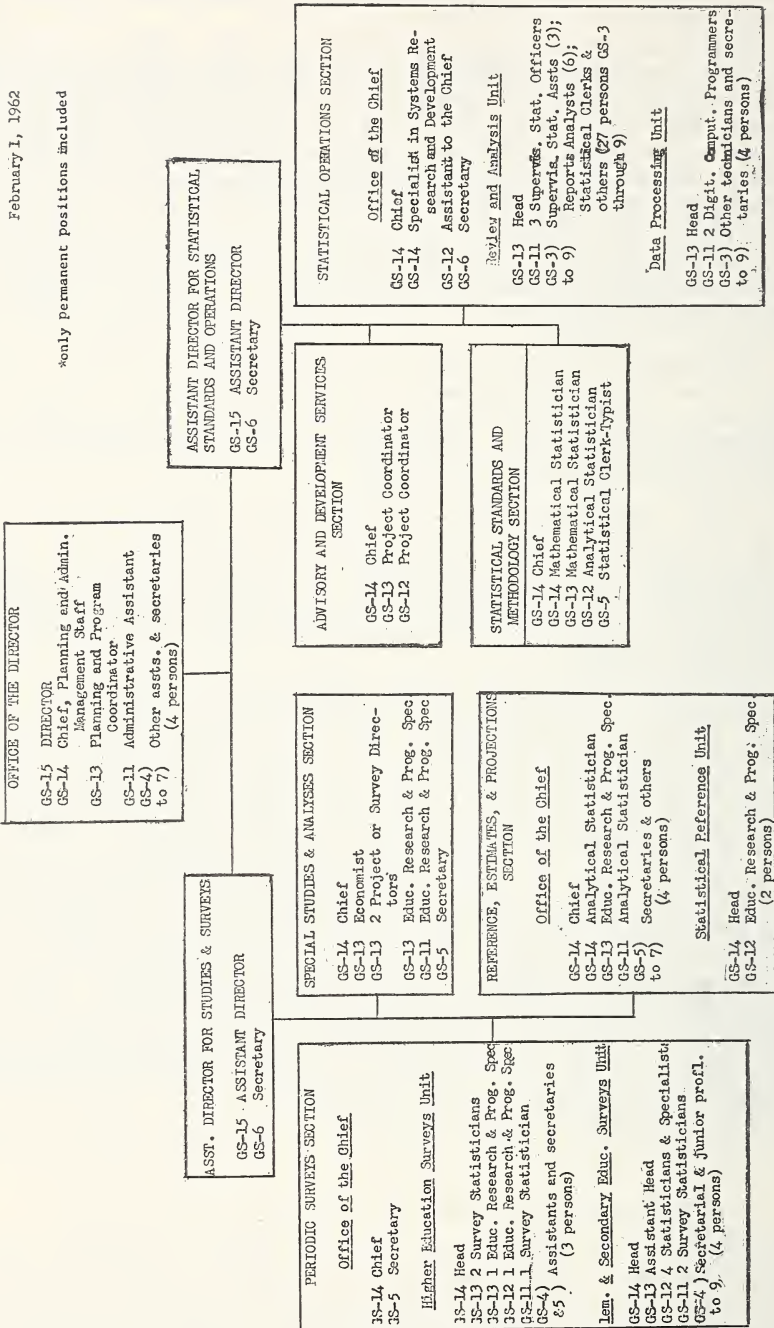
MR. FLYNT. Briefly, sir, as the Commissioner indicated we have transferred the title X program which administers the aid to States, to the Division of Research Statistics and put it alongside our regular Educational Statistics Branch which has been reorganized to reflect the fact that we have recently recruited a number of high level mathematical statisticians and computer technologists and this organization chart indicates the modernization of the program. It may be more extensive than you care to introduce but it is here and represents an effort based on the advice of the best experts in the Government as to how to bring to bear both the educational competence needed which is found on the left side of the chart and the mathematical and computer technology competence which is found on the right. You were generous to us last year and despite the economy cut we were still able to allot 18 new positions to this Branch and that has been a very significant addition and enabled us to recruit a chief mathematical statistician and a number of other experts.

(The chart follows:)

ORGANIZATION FOR EDUCATIONAL STATISTICS BRANCH*

February 1, 1962

*only permanent positions included



ELECTRONICS DATA PROCESSING

Mr. FLYNT. We are putting ourselves in a position to do two things. One is to make it possible to gain some time utilization of a new computer which has been acquired by the Department and to take advantage of the fact that through the leadership of our title X program 37 States have inaugurated modern electronic data processing systems, in varying degrees of completeness. A leading area in which entrance has been made is, of course, that of teacher personnel. Three States, incidentally, have gone over completely to electronic data handling of all their data from the local school through the State department of education. Five other States are proceeding rapidly to the same outcome. The States are Florida, Tennessee, and Iowa, and another State which is almost immediately about to go into it on a very large scale is the State of Illinois. We have made a complete review of our statistical program with special reference to the problem of classroom statistics. Now, if you will recall, this has been a serious bone of contention for many years.

Mr. FOGARTY. Well, at that point, it is more serious than that because some of these statistics were given to this committee because of a change in policy in the administration. I have seen these numbers change with the proclamation that the budget is going to be balanced, or unbalanced, or when some new program is proposed, etc. That should not happen.

Mr. FLYNT. This is the most serious area of concern.

May I point out that in 1952 and 1953, we expended sums appropriated to us by the Congress on the order of magnitude of \$3.5 million and it is that survey you refer to, where full utilization was never derived, if I may say so professionally.

HISTORICAL SUMMARY ON ENROLLMENT, TEACHER AND SCHOOL HOUSING

However, we have consistently attacked this problem, Mr. Chairman, and I would like to with your permission ask you to let us introduce into the record a historical table which covers——

Mr. FOGARTY. We will put it in the record, but a lot of these tables are hard to read unless you tell us what it is. You are living with this now and you ought to be able to tell us in a few words just what it is.

(The document follows:)

TABLE 9.—*Historical summary of fall survey statistics on enrollment, teachers, and schoolhousing in full-time public elementary and secondary day schools, 50 States and the District of Columbia, 1954-60*

[Data in secs. A through F are as of the fall of the year. Where totals are shown to the last digit, they are not in fact precise to that degree but merely represent the sum of rounded and unrounded figures furnished by the States]

Item	1954	1955	1956	1957	1958	1959	1960
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. ENROLLMENT							
Total enrollment.....	29,548,805	30,680,183	31,718,732	32,951,426	34,080,844	35,182,343	36,305,104
Elementary schools.....	21,310,096	22,159,143	22,216,495	22,860,801	23,414,947	23,906,367	24,457,321
Secondary schools.....	8,238,709	8,521,040	9,502,237	10,090,625	10,665,897	11,275,976	11,847,783
Percent of total enrollment in elementary schools.....	72.1	72.2	70.0	69.4	68.7	67.9	67.4
Percent of total enrollment in secondary schools.....	27.9	27.8	30.0	30.6	31.3	32.1	32.6
B. PUPILS IN EXCESS OF NORMAL CAPACITY							
Total number of pupils enrolled in excess of normal capacity of accessible publicly owned school plants in use.....	12,344,068	2,276,072	2,302,920	1,953,800	1,850,300	1,746,000	1,868,000
Elementary schools.....	1,904,880	1,717,474	1,690,716	1,341,577	1,253,700	1,127,000	1,181,000
Secondary schools.....	439,188	558,598	612,204	612,223	596,600	619,000	687,000
Percent of total excess enrollment in elementary schools.....	81.3	75.5	73.4	68.7	67.8	64.5	63.2
Percent of total excess enrollment in secondary schools.....	18.7	24.5	26.6	31.3	32.2	35.5	36.8
Total pupils in excess of normal capacity as percent of total enrollment.....	7.9	7.4	7.3	5.9	5.4	5.0	5.1
Pupils in excess of normal capacity in elementary schools as percent of total elementary enrollment.....	8.9	7.8	7.6	5.9	5.4	4.7	4.8
Pupils in excess of normal capacity in secondary schools as percent of total secondary enrollment.....	5.3	6.6	6.4	6.1	5.6	5.5	5.8
C. PUPILS OF CURTAILED SESSIONS							
Total number of pupils attending school for less than a full or normal school day.....	(2)	(2)	(2)	(2)	(2)	(2)	685,496
Elementary schools.....	(2)	(2)	(2)	(2)	(2)	(2)	505,861
Secondary schools.....	(2)	(2)	(2)	(2)	(2)	(2)	179,635

TABLE 9.—*Historical summary of fall survey statistics on enrollment, teachers, and schoolhousing in full-time public elementary and secondary day schools, 50 States and the District of Columbia, 1954-60—Continued*

Item	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
G. INSTRUCTION ROOMS							
Number of publicly owned instruction rooms at beginning of school year ¹	(2)	1, 043, 946	1, 105, 433	1, 184, 104	1, 231, 952	1, 286, 960	1, 338, 560
Number of instruction rooms completed during school year.....	(1)	63, 253	98, 640	72, 070	69, 543	69, 400	(4)
Number of rooms abandoned for instructional purposes during school year.....	(2)	14, 114	13, 851	17, 339	16, 374	17, 800	(4)
Total number of additional instruction rooms needed for housing pupils enrolled at beginning of school year.....	(2)	(2)	159, 800	143, 200	141, 900	135, 264	142, 160
To accommodate pupils in excess of normal capacity.....	(2)	(2)	80, 300	65, 100	65, 800	62, 543	66, 141
To replace unsatisfactory facilities.....	(2)	(2)	79, 500	78, 100	76, 100	72, 721	76, 019
Percent of additional instruction rooms needed:							
To accommodate pupils in excess of normal capacity.....	(2)	(2)	50. 3	45. 5	46. 4	46. 2	46. 5
To replace unsatisfactory facilities.....	(2)	(2)	49. 7	54. 5	53. 6	53. 8	53. 5
Total number of instruction rooms scheduled for completion during school year.....	1 60, 132	62, 429	69, 609	70, 960	68, 930	61, 727	69, 553

¹ Excludes Hawaii.

² Data not available; item not included in annual survey.

³ Because of changes in school plant inventories, the number of instruction rooms at the beginning of a particular school year is not always the sum of the number of rooms

available at the beginning of the previous year, plus rooms completed, and minus rooms abandoned during the previous school year.

⁴ Data to become available in fall 1961 survey.

^s

Mr. FLYNT. This table shows a historical depiction of the need of new classroom construction to meet enrollment increases, to meet backlog and to cover classrooms required, and to eliminate double sessions and overcrowding. And these statistics appear on a comparable basis for 8 years. This is why I would like for the members of the committee to see what the data look like when they have been gathered for a consecutive period of 8 years, on a basis that has not been changed and has not been in any sense directed by other than the best professional considerations, sir. I will excerpt from this historical table only those which relate to classrooms and will eliminate, if you wish, those relating to teacher shortage—or I can include both.

Mr. FOGARTY. Include both.

Mr. FLYNT. Very well. The table is quite easy to read, as a matter of fact. It is table 9. The press release which you have has the latest one in it, which is not off the press yet, so you will find in this one, one which brings it up to the current date, Mr. Chairman.

(The document follows:)

*Historical summary of fall survey statistics on enrollment, teachers, and school housing in full-time public elementary and secondary day schools,
50 States and the District of Columbia, 1954-61*

[Data in secs. A through F are as of the fall of the year. Where totals are shown to the last digit, they are not in fact precise to that degree but merely represent the sum of rounded and unrounded figures furnished by the States]

Item (1)	1954 (2)	1955 (3)	1956 (4)	1957 (5)	1958 (6)	1959 (7)	1960 (8)	1961 (9)
A. ENROLLMENT								
Total enrollment.....	29,548,805	30,680,183	31,718,732	32,951,426	34,080,844	35,182,343	36,281,294	37,504,190
Elementary schools.....	21,310,096	22,159,143	22,216,495	22,890,801	23,414,947	23,906,367	24,349,932	24,685,888
Secondary schools.....	8,238,709	8,521,040	9,502,237	10,090,625	10,665,897	11,275,976	11,931,362	12,818,302
Percent of total enrollment in elementary schools.....	72.1	72.2	70.0	69.4	68.7	67.9	67.1	65.8
Percent of total enrollment in secondary schools.....	27.9	27.8	30.0	30.6	31.3	32.1	32.9	34.2
B. PUPILS IN EXCESS OF NORMAL CAPACITY								
Total number of pupils enrolled in excess of normal capacity of accessible publicly owned school plants in use.....	12,344,068	2,276,072	2,302,920	1,953,800	1,850,300	1,746,000	1,881,000	1,693,862
Elementary schools.....	1,904,880	1,717,474	1,690,716	1,341,577	1,253,700	1,127,000	1,190,000	962,934
Secondary schools.....	439,188	558,593	612,204	612,223	596,600	619,000	691,000	730,928
Percent of total excess enrollment in elementary schools.....	81.3	75.5	73.4	68.7	67.8	64.5	63.2	56.8
Percent of total excess enrollment in secondary schools.....	18.7	24.5	26.6	31.3	32.2	35.5	36.7	43.2
Total pupils in excess of normal capacity as percent of total enrollment.....	7.9	7.4	7.3	5.9	5.4	5.0	5.2	4.5
Pupils in excess of normal capacity in elementary schools as percent of total elementary enrollment.....	8.9	7.8	7.6	5.9	5.4	4.7	4.9	3.9
Pupils in excess of normal capacity in secondary schools as percent of total secondary enrollment.....	5.3	6.6	6.4	6.1	5.6	5.5	5.8	5.7
C. PUPILS ON CURTAILED SESSIONS								
Total number of pupils attending school for less than a full or normal school day.....	(2)	(2)	(2)	(2)	(2)	(2)	\$ 657,448	\$ 503,108
Elementary schools.....	(2)	(2)	(2)	(2)	(2)	(2)	\$ 482,664	\$ 317,539
Secondary schools.....	(2)	(2)	(2)	(2)	(2)	(2)	\$ 174,784	\$ 185,569

D. CLASSROOM TEACHERS

Total teachers, full-time and part-time-----	1, 067, 985	1, 141, 041	1, 198, 945	1, 259, 206	1, 306, 290	1, 355, 288	1, 408, 083	1, 462, 859
Elementary schools-----	691, 373	732, 640	751, 465	785, 838	814, 967	831, 697	858, 249	870, 631
Secondary schools-----	376, 612	408, 401	447, 480	473, 368	491, 323	523, 591	549, 844	592, 228
Percent of total teachers in elementary schools-----	64.7	64.2	62.7	62.4	62.4	61.4	61.0	59.5
Percent of total teachers in secondary schools-----	35.3	35.8	37.3	37.6	37.6	38.6	39.0	40.5
E. PUPIL-TEACHER RATIO								
Pupil-teacher ratio (total elementary and secondary schools)-----	27.7	26.9	26.5	26.2	26.1	26.0	25.8	25.6
Elementary schools-----	30.8	30.2	29.6	29.1	28.7	28.7	28.4	28.4
Secondary schools-----	21.9	20.9	21.2	21.3	21.7	21.5	21.7	21.6
F. TEACHERS WITH SUBSTANDARD CERTIFICATES								
Total full-time teachers with substandard certificates-----	174, 874	78, 375	90, 291	92, 525	92, 972	97, 020	92, 297	89, 697
Elementary schools-----	60, 576	60, 105	66, 868	70, 657	68, 337	67, 823	67, 702	64, 464
Secondary schools-----	14, 298	18, 270	23, 423	21, 868	24, 635	29, 197	24, 595	25, 233
Percent of total teachers with substandard certificates in elementary schools-----	80.9	76.7	74.1	76.4	73.5	69.9	73.4	71.9
Percent of total teachers with substandard certificates in secondary schools-----	19.1	23.3	25.9	23.6	26.5	30.1	26.6	28.1
Total teachers with substandard certificates as percent of total teachers-----	7.0	6.9	7.5	7.3	7.1	7.2	6.6	6.1
Teachers with substandard certificates in elementary schools as percent of total elementary teachers-----	8.8	8.2	8.9	9.0	8.4	8.2	7.9	7.4
Teachers with substandard certificates in secondary schools as percent of total secondary teachers-----	3.8	4.5	5.2	4.6	5.0	5.6	4.5	4.3

*Historical summary of fall survey statistics on enrollment, teachers, and school housing in full-time public elementary and secondary day schools,
50 States and the District of Columbia, 1954-61—Continued*

Item	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
G. INSTRUCTION ROOMS								
Number of publicly owned instruction rooms at beginning of school year ¹ -----								
Number of instruction rooms completed during school year-----	(2)	1, 043, 246	1, 105, 433	1, 184, 104	1, 231, 952	1, 286, 960	1, 331, 624	1, 385, 080
Number of rooms abandoned for instructional purposes during school year-----	(2)	63, 283	68, 660	72, 070	69, 543	69, 400	72, 157	(⁶)
Total number of additional instruction rooms needed for housing pupils enrolled at beginning of school year-----	(2)	14, 114	15, 851	17, 399	16, 374	17, 800	18, 701	(⁶)
To accommodate pupils in excess of normal capacity-----	(2)	(2)	159, 800	143, 200	141, 900	135, 264	142, 500	127, 105
To replace unsatisfactory facilities-----	(2)	(2)	80, 300 79, 500	65, 100 78, 100	65, 800 76, 100	62, 543 72, 721	67, 300 75, 200	60, 169 66, 996
Percent of additional instruction rooms needed:								
To accommodate pupils in excess of normal capacity-----	(2)	(2)	50.3	45.5	46.4	46.2	47.2	47.3
To replace unsatisfactory facilities-----	(2)	(2)	49.7	54.5	53.6	53.8	52.8	52.7
Total number of instruction rooms scheduled for completion during school year-----	1 60, 132	62, 429	69, 609	70, 960	68, 030	61, 727	69, 553	62, 737

¹ Excludes Hawaii.

² Data not available; item not included in annual survey.

³ Incomplete; total for States reporting.

⁴ Because of changes in school plant inventories, the number of instruction rooms at the beginning of a particular school year is not always the sum of the number of rooms available at the beginning of the previous year, plus rooms completed, and minus rooms abandoned during the previous school year.

⁵ Data to become available in fall 1962 survey.

VALIDITY OF PRESENT STATISTICS

Mr. FLYNT. We have twice surveyed these data in depth. A joint Office of Education and Bureau of the Budget team visited six States to inquire into the validity of these data and came to the measured conclusion that it does not noticeably overstate or understate the problem.

Now, last year when the Commissioner and other staff testified before you, although I was not present, we indicated that we would again proceed to study this matter in depth and we did spend approximately 6 months doing so, employing outside consultants of an expert type, and came to the conclusion that we are not going measurably to improve these data using present techniques.

Now, these data could vary a bit here and there, State by State, but they have a remarkable consistency for the Nation as a whole over the total period of 8 years.

EFFECT OF CHANGES IN STANDARDS ON STATISTICS

Now, it must be recognized these data are gathered on the basis of State law and State evaluation of their needs. This does change from time to time and in our view it is a valid kind of change.

I give you an example: A fire in a parochial school system in Chicago resulted in the application of criteria in that city which indicated relatively 20 percent of the classrooms were unsafe and unsound for use. This spread to other cities. Former Commissioner Brownell went through the same process in the city of Detroit and he told me recently 21 percent of classrooms in Detroit required replacement.

Now, if the city of Chicago and the city of Detroit—and this is reflected in their State totals—come to the conclusions, and by law and regulation declare these classrooms to be unsuitable, and an indication of willingness is shown to spend tax or bond money to replace them then that is a valid national need from our point of view and it is not for the Office of Education, in our judgment, to apply norms and criteria which ignore that.

NEED FOR A COMMON BASE FOR STATISTICAL INFORMATION

Now, we have honed our techniques down to a fairly fine point but the findings of our group who went to the field last summer said to us that we must start all over again and we have concluded that to do so will require more money and more personnel than we can afford to detail to this one problem at this time. If we put the entire increase you gave us last year and the increase we requested this year, it will not be enough. We think we have to start all over again as the States have done and as Commissioner McMurrin said in his opening statement, in many instances the State practice has outmoded our procedure.

Two years ago we had appointed a committee to study this problem and came to the conclusion at that time—and I have had no occasion to change my mind since I was the chairman of the committee—that we must go over to a basic item recording approach and accumulate a basic item bank which begins at the school.

To give you an example of what it would be like in school construction we would begin, Mr. Chairman, with a base line of an inventory of school facilities available and work from that rather than to attempt to work in the narrow frame of reference of shortage, which is in many ways not a wholly sound conception of what the Federal Government's interests should be in this program. There has been a great tendency as you know over the years to indicate the Federal Government's interest is only in the shortfall in the States and local communities. In other words, the Federal Government's objective should be focused on the difference between what the States and local communities have accomplished and what ought to be accomplished. I think we have testified many times to the view that the Federal Government's interests and leadership should impinge upon the entire operation of facilities. You know, for example, in many areas—in the mountain areas of Kentucky and West Virginia—there are schools being kept in buildings that we would not keep a dog in. I say that advisedly. The whole thing has to start back from some base line.

STATISTICAL PROGRAM SCOPE

Now, we did present a report to the Department and the Bureau of the Budget in 1960, a copy of which I hold, which indicates the general scope and character of this kind of program.

Now this program is being put into effect in State after State and I indicated the number of States where they have already gone over completely to a program where a single card is made out on each teacher. That card records 9, 12, or 13 items, and this enables a machine to total up and run cross-tabulations without any totals being made at the school or State level.

In our judgment we must move in this direction. Otherwise, the States will be to the point shortly where they cannot respond to questionnaires devised centrally. This would involve the expenditure of funds in the amount of \$2.5 million to \$4 million and an ultimate order of magnitude of \$12 million to \$15 million. In other words, a program comparable in size to that of the Bureau of Labor Statistics which had an annual budget last year—I do not know their present budget—of \$12.5 million.

If we expect to deal with the problem involving more than 40 million children and approximately 2 million teachers in 25,000 secondary and 90,000 elementary schools we are talking of a statistical problem of enormous magnitude which in modern technology can only be approached from a standpoint of recording the basic items that begin at the classroom and at the school and letting machinery take over and do the job from there.

This is roughly what we will write in the record.

CLASSROOM-PUPIL RATIO

Mr. MARSHALL. Has your definition of a classroom as it pertains to capacity remained constant?

Mr. FLYNT. It has remained constant relatively, Mr. Marshall, over the 8 years of this study.

Mr. MARSHALL. Any change there would not have been cause for this fluctuation?

Mr. FLYNT. That is right. If you will look at this table and read across it you will find there has been very little variation within the confines of this historical table.

PRESENT STATUS OF STATISTICAL PROGRAM

Mr. FOGARTY. In a few words, where are we now?

Mr. FLYNT. Here is where we are now: We are still carrying on in our traditional manner, of sending a questionnaire to the States and asking them to tell us the answer to each item in this questionnaire.

Mr. FOGARTY. You are still going to follow this?

Mr. FLYNT. We will have to follow this for at least 2 more years, Mr. Fogarty. It would be impossible to change over because there are not enough States yet. There are 37 States probably in a position to cooperate with us and in the field of teacher personnel there are approximately 40 States who have at least a minimum of the common items already recorded basically on punchcards through which could be achieved a degree of compatibility. The fortunate thing about it is the 37 States that have advanced electronic computers, 36 have the same type of equipment. The 37th has some other type of equipment. Unfortunately, the piece of equipment we have is not the one that matches the 36, but that can be readily remedied.

Now, here is where we are. What we would like to do is to appoint a panel of expert consultants of national reputation to guide us soundly in the fields of higher education personnel and elementary and secondary school teacher personnel and in the field of school housing, we would like to make an initial beginning on a pilot basis.

COST OF PILOT STATISTICAL PROGRAM

Mr. FOGARTY. How much would you need to start such a program on a pilot basis?

Mr. FLYNT. Well, we could start it probably on \$500,000 but we would come to a \$2.5 million to \$3 million level fairly rapidly I am sure.

Mr. FOGARTY. Expand on that statement, how would you spend \$500,000 if you could get it for that purpose?

(The information requested follows:)

DEVELOPMENT OF A NATIONAL SYSTEM OF BASIC EDUCATIONAL INFORMATION

The development of the proposed national cooperative system of educational data calls for three major functions: (1) Providing for the existence and the availability of each basic datum needed; (2) establishing the flow of the data from their source to the Office of Education; and (3) providing for the processing of the data within the Office. While these steps are in a major sense sequential, important preliminary aspects of (2) and (3) must be in progress concurrently with (1). The most promising approach to their coordinated development appears to be the conduct of small-scale operations embracing the entire complex of functions associated with such a system.

A budget increase of \$500,000 would provide in the first year the resources necessary to execute pilot projects in three key problems areas, thus demonstrating the feasibility of the proposed national system, while providing valuable experience in the optimum utilization of modern technology in the gathering and analysis of educational information. The subject areas selected for this initial thrust would be (1) public school teachers, (2) higher education faculty, and (3) public school buildings.

The activities instrumental to achievement of the purposes stated would include constant liaison with State offices and close contact with participating colleges and universities. These tasks would require a field staff the nucleus for which already exists in the National Defense Education Act title X State statistical services unit. Data needed for national comparisons would have to be standardized as to terminology and definitions so that statistics could be made comparable from State to State. Another activity of the field staff would be to assist in the establishment of channels for coordinated data flow, according to an overall plan to be developed cooperatively between the Office and the participating States or institutions. In the Office itself, an appreciable share of the increased resources to be provided would be committed to computer programming and to the related services of converting data received to computer input.

PILOT PROJECTS FOR FIRST YEAR'S BUDGET INCREASE

Public school teacher personnel (estimated first year cost \$150,000)

One project would be designed to promote the development of a system whereby basic data on public school teachers of the Nation may be transmitted from the State education agency, teacher by teacher, to the Office of Education in machine-usable form. Of the 40 State education agencies which now have individual teacher personnel data in such form, several have developed their procedures to the point where they would be logical choices for participation in such a pilot project. These might include such States as Tennessee, Oklahoma, Florida, South Carolina, Iowa, Kentucky, Maryland, Massachusetts, Rhode Island, and Washington.

If the basic record collected on each teacher were to include those items which most States now have in machine-usable form, we would be able to produce substantially all such basic statistical information as numbers of teachers, their training, courses taught, numbers of pupils taking courses, and age, sex, and salaries of professional staff. This information would be available by individual teacher, by school, by school district, and by State, as well as in national summaries.

Public school housing (estimated first year cost \$200,000)

A second pilot project would undertake to develop a baseline of statistical information regarding school housing that would be comparable so far as possible both within States and among States. Such information would make possible the identification of changes and the assessment of trends in the total schoolhousing situation over a period of years, and in the several components of the total situation. Such information is essential in making legislative decisions and in evaluating the results of legislation.

The following items are illustrative of the subject matter with which this project would deal:

- Present enrollment.
- Projected enrollment.
- Capacity of present school plants.
- Availability of special facilities such as laboratories and libraries.
- Number of schoolrooms built each year.
- Number of schoolrooms planned.
- Number of children in excess of capacity of satisfactory facilities.
- Number of children in temporary facilities.
- Number of children in makeshift facilities.
- Condition of makeshift and of temporary facilities.
- Number, capacity, and condition of rooms abandoned each year.
- Costs of school construction.

It would be the intent of this project to achieve agreement on a minimum list of items to be reported on a comparable basis for all States, and to stimulate improved statistical reporting by facilitating interstate exchange of ideas and technique and by providing specialized consultation not available at the State level.

In selecting the States to participate in the pilot project, particular consideration would be given to States having largest school enrollments; those having large cities; those whose school-age population is growing rapidly; those whose systems represent various types of school organization—county units, large districts, and small districts; those with many rural districts where annexation, consolidation, and dissolution are factors; and those presenting particular economic or tax problems. States notably weak in resources for statistical develop-

ment in education would be considered, along with States having well developed educational data systems, since the national system ultimately envisioned would have to take account of the different levels of activity possible among the States, and the Office of Education might have to offer more of the helping hand to some States than to others, in the interest of realizing a truly national instrument of information.

Although primary emphasis should be placed on improving statistics at the State level, a general idea that might be followed is that of the registration area used to build up the vital statistics system. This project would help to insure that the States involved in the pilot study afford a nucleus for such a system. The system would provide for data by school, by school district, and by State so that the various components of change could be accurately assessed.

The successful completion of this pilot project would set the stage for incorporation of the remaining 40 States into the system. Within perhaps 3 years there could be in existence a continuing and perpetually current data system regarding schoolhousing.

Higher education faculty (estimated first year cost \$150,000)

The third project would aim to develop and test a system by which information essential to the definition, assessment, and solution of problems of staffing institutions of higher education may be made promptly available. The basic concept involved is to obtain a record in machine-usable form in the Office of Education on each faculty member in the system, covering 10 to 15 basic items of information. These records would be used (1) to supply basic statistical data on faculty as part of the regular statistical program of the Office, (2) to provide special analyses in conjunction with investigation of new problems, and (3) to serve as a source from which samples of faculty members could be drawn for special studies.

The development of this system would require a high degree of cooperation with institutions of higher education and would proceed in the first year by the following steps: (1) determine the basic items of data needed about college and university faculties; (2) establish standard definitions of these basic items; (3) designate the source records from which these data are to be obtained; (4) design a method for the collection of the data and their transmission to the Office; (5) design a system for the processing of statistical reports; and (6) work with some 40 to 50 institutions toward the installation of the system and collection of data.

Suggested budget for 1 year

Personnel services and related expenses-----	\$285, 000
Machine rentals-----	33, 000
Travel-----	72, 000
Contractual services-----	110, 000
Total-----	500, 000

NOTE.—The following expansion of remarks concerning the statistical program was submitted in accordance with the preceding request of the chairman:

ACCOMPLISHMENTS OF EDUCATIONAL STATISTICS BRANCH, FISCAL 1962

Fiscal 1962 has been in a major sense a transition year for the Educational Statistics Branch. Efforts have been directed toward equipping the Branch for a type of performance for which it had never been truly prepared—that of meeting rapidly changing demands affecting both the subject matter of the statistics themselves and the controls to be applied at each point in their handling. Accordingly, the principal gains have been in staff “retooling”—in organization, in staffing pattern, and in establishment of a new *modus operandi*. Certain of the substantive statistical problems, such as that of the school housing shortage, were more clearly delineated than previously; but, of greater importance, appreciable groundwork was laid for the development of new dimensions in the Office's statistical program which would provide more prompt and pertinent answers to such questions than are now capable of being obtained.

With regard to the challenge of shifting demands for statistics, a number of accomplishments can be cited. The mechanism for statistical program planning

established in fiscal 1961 through appointment of an interdivisional committee has been stabilized by the addition of a permanent program-planning staff in the office of the Branch Director as a part of the reorganization plan put into effect early in February 1962. This group will make it possible to adapt to the shifting priorities of statistical activities in accordance with public policymaking demands, and to afford a continuous look ahead into emerging issues, both those perceived from the Division's standpoint and those which may be raised from time to time on behalf of the Office as a whole.

Another aspect of the need for adaptation to new conditions has been met, under the new Branch organization plan, by the establishment of a statistical methodology and project advisory staff among whose responsibilities is the determination of the relative demands of speed, precision, and other technical factors affecting operational decisions. Such determinations made early in each survey should eliminate much of the lost motion incurred by rigid adherence to standards of completeness of coverage more than appropriate for the purpose at hand. What has been added by these changes, therefore, amounts to the installation of a production control unit to insure maximum speed and economy of output consistent with the quality required. The gains most immediately apparent from these and other organizational improvements have been in removal of bottlenecks in machine specification writing, preparation for greatly increased use of sampling, and the issue of a handbook of statistical standards for the Office as a whole.

In addition to the changes described above, considerable preparation has taken place for eventual changeover of the routine reporting functions to a cooperative national basic data system employing advanced computer technology. Most immediate among these steps has been the move to begin utilization of the Department's new electronic computer on an exploratory scale. This enterprise requires special training of Office staff for planning certain computer applications of regular statistical program work, and for actual machine programming, a technical skill hitherto unavailable in the staff and in short supply outside.

In the matter of statistics of public school housing, the principal accomplishment of fiscal 1962 has been direct confirmation of the position previously surmised by the staff but hitherto not fully apparent or generally accepted by nontechnical audiences; namely, that the correctness or incorrectness of the Office's figures on the Nation's schoolroom shortage is not primarily a question of statistical performance, but one of who is the proper judge of the adequacy or inadequacy of a given school plant for any particular purpose—in the most noted instance, the purpose of assessing the need for Federal school support legislation.

It has been pointed out on the one hand that local judgments of what constitutes satisfactory school housing cannot be combined by any statistical process into an objective measure of the problem. On the other hand, these same local judgments represent the estimates of the very authorities charged with the conduct of the schools and, to that extent, have a validity which is not nullified by their admitted subjectivity. It is of course desirable to have at the national level not only the aggregate of local evaluations of school plant needs, but also national measures that will be truly objective. Such measures, however, call for the establishment of nationally uniform criteria. With all the implications that such a course implies for the tradition of State and local responsibility for education, the Office believes that such criteria should be worked out cooperatively with the States and, indeed, is proceeding in this direction. Uniformity among the States in this sensitive area of State prerogative must be developed by nurture, not by fiat.

In more specific terms, the Office has taken the following steps affecting the school housing shortage figures in fiscal 1962. Pursuant to two subsidies initiated in December 1960, a program is in progress which has as its goal the adoption by States of a standard instrument of definitions of items required for national statistics on school housing characteristics and use. The studies just referred to involved extensive inquiry among State departments of education, visits to State offices, and visits to local districts. It resulted in an analysis of certain key features of State reporting systems, and also in confirmation of the suspected wide variation in criteria, methods and standards used in reporting.

The Office's new program for development of agreed-upon definitions will involve national, regional, and State conferences in which the items and definitions and appropriate record and reporting systems will be discussed, and in which the values of a cooperative system of data flow and reporting on school housing items will be illustrated. By the end of 1962 the program will be ready for testing on a pilot basis in a number of States.

SUFFICIENCY OF SUPERGRADES FOR REORGANIZATION

Mr. FOGARTY. You have mentioned a reorganization of the Office. Are the supergrade allocations to the Office of Education sufficient to carry out this plan?

Mr. McMURRIN. They definitely are not sufficient at the present time, Mr. Chairman. We do not have enough supergrade allocations to take care of the legitimate needs of our structure as it now obtains. We are very seriously in need of more supergrades to take care of the leadership.

Mr. FOGARTY. I understand the position you are in, you just cannot get people to come here to Washington and work at the grades that are available to the Office of Education.

Mr. McMURRIN. That is quite right, and we are in danger of losing people and we have been losing top-flight people.

Mr. FOGARTY. Who is responsible for passing out these supergrades?

Mr. KELLY. The system, Mr. Chairman, is that each operating agency makes a request to the Department. The jobs are screened there and they are placed in priority for the Department and sent to the Civil Service Commission who first has to make a determination as to whether or not each of the positions in our request meets the requirements of being eligible for a supergrade and then they have to mesh ours in with all of the requests from all of the other agencies and they allocate to us only a relatively small portion of the total requirements which we have indicated.

Mr. FOGARTY. Now, how did you fare with the Department on your request for supergrades?

Mr. McMURRIN. As far as I know, Mr. Chairman, we were treated very fairly considering the size of our Office as an agency of the Department. I think the Department simply does not have enough supergrades to go around.

NEW LEGISLATION AUTHORIZING ADDITIONAL SUPERGRADES

Mr. KELLY. We are considering in connection with one of the pieces of legislation that is being handled in "Education," an attempt to get some positions in, in the scientific and research and research administration fields. As you know, there are these jobs like the Public Health Service have which we refer to as 208-G which pay up to \$19,000 in addition to the Public Health Service where the Congress has authorized the Department to have several other jobs—I think the number is seven right now.

Mr. HUGHES. I believe it is 10.

Mr. KELLY. We are unable to allocate any of them to the Office of Education because it has been determined that the definitions provided for in the law do not cover the social sciences, so that we are asking that positions be allocated to research and research administration that are specifically available for—

Mr. FOGARTY. What legislation are you talking about, what is in conference now?

Mr. KELLY. No, it would be in one of the new bills. I think one was the quality education bill.

Mr. HUGHES. That is right. That was the bill to be the vehicle for this provision, Mr. Kelly.

The decision at the Bureau of the Budget recently has been that the provision should not be included in the education quality bill in the light of the pending pay proposals of the administration and it has been deleted on that account.

Mr. FOGARTY. Of course, the Congress could still put it in. That is just the view of the Bureau of the Budget.

Mr. HUGHES. We did develop a piece of legislation for inclusion in the bill which did parallel in the field of education the kind of authority the PHS has—

Mr. FOGARTY. Put that language in the record.

Mr. HUGHES. Yes, sir.

(The information requested follows:)

SPECIAL PROFESSIONAL, SCIENTIFIC, AND EXECUTIVE SERVICE POSITIONS

SEC. 304. The Secretary of Health, Education, and Welfare is authorized to establish and fix the compensation for, within the Office of Education, not more than twenty positions in the professional, research, and executive service, each such position being established to effectuate those research and developmental activities of the Office of Education which require the services of specially qualified research, professional, and administrative personnel. The rates of compensation for positions established pursuant to this section shall not be less than \$12,500 per annum nor more than \$19,000 per annum, and shall be subject to the approval of the Civil Service Commission. Positions created pursuant to this section shall be included in the classified civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officer or agents as it may designate for this purpose.

Mr. FOGARTY. Who introduced that bill?

Mr. McMURRIN. Mr. Thomas introduced that bill.

Mr. FOGARTY. Does he know about this problem?

Mr. HUGHES. I do not believe this specific matter has been discussed with him.

Mr. FLYNT. It was last year.

Mr. HUGHES. The matter of salaries certainly was discussed with him and the committee has been very sympathetic with our situation.

Mr. FLYNT. He is quite sympathetic. It just ran into the problem of civil service in the other committee and no action was taken.

Mr. HUGHES. That action at that time though was in terms of the supergrade allocations rather than in terms of this special authority—

Mr. FLYNT. I am sure he would be sympathetic to this.

JUVENILE DELINQUENCY

Mr. FOGARTY. Now, what about juvenile delinquency, Doctor; do you want to say anything about that?

Mr. McMURRIN. Well, I would say that the Office of Education is very much concerned about the problem of juvenile delinquency, and we are cooperating fully with the Attorney General's Office in the effort to make contributions to solving the problem of juvenile delinquency.

Mr. FOGARTY. Has that advisory committee been selected out yet?

Mr. KELLY. I do not know whether it has actually been initiated, but when Mr. Cohen testified when the Secretary was here he testified he expected it would be within 30 days.

Mr. HUGHES. I might say in response further to the question, Mr. Chairman, at page 111 of our justifications is indicated the cooperation we are now extending.

Mr. FOGARTY. Put that in the record.

(The information requested follows:)

SCHOOL DROPOUTS AND JUVENILE DELINQUENCY

Over 740,000 fewer students graduated from high school than enrolled in the ninth grade in the 1956-57 school year. The Department of Labor estimates that during the 1960's, about 7.5 million youth will terminate their education before graduation from high school. About 2.5 million of these will not have gone past the eighth grade. These pupils will flood the disappearing unskilled labor market, and many will become at least partially dependent upon the State for support. Juvenile delinquency is 10 times more frequent among dropouts than among high school graduates.

To keep youth in school, attention must be focused on a meaningful curriculum and strengthened guidance efforts.

Virtually every Office endeavor in the curriculum area has the dropout problem as one of its considerations. No substantial curriculum change is ever undertaken without assessing its effect upon the schools' holding power and evaluating its long-range effects upon student motivation and interest.

Studies are being conducted by Office personnel to determine to what extent, if any, children learn more when grouped according to ability. Other grouping techniques are also being investigated in the same manner. These include groupings according to need, interest, friendship, special abilities, special difficulties, achievement levels, mental maturity, age, etc. These studies not only have direct impact on the dropout problem, but also will be helpful in determining the effects of various grouping techniques upon the development of responsible, capable, thoughtful, creative, well-informed persons.

The Office of Education has a major role in the Secretary's program dealing with juvenile delinquency control problems, as set forth in the Juvenile Delinquency and Youth Offenses Control Act of 1961. A five-member staff is being assigned to this program to work with the staffs at each of the demonstration centers in the developments of specific experiments and demonstrations for selected schools and to develop a program to identify educational problem areas relating to juvenile delinquency; evaluate and stimulate research into the procedures and techniques for early identification of delinquency prone and academically vulnerable children; help determine areas where additional curriculum revision or development will be helpful in the stimulation and motivation of students; and provide consultation and dissemination services to assist State and local school organizations in interpreting and applying good practices and the validated results of research in this area. This activity is financed through the appropriation to the Office of the Secretary, "Juvenile delinquency and youth offenses."

SPECIAL FOREIGN CURRENCY PROGRAM

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
21 Travel and transportation of persons.....	11	-----	46
25 Other services.....	13	7	354
Total obligations.....	24	7	400

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
Research in foreign education (dollar equivalents) (total program costs—obligations)-----	24	7	400
Financing:			
Unobligated balance brought forward-----		-7	
Unobligated balance carried forward-----	7		
New obligational authority (appropriation)-----	31		400

Mr. FOGARTY. We have one other item, the "Special foreign currency program." There was no appropriation for 1962 and \$400,000 is being requested for 1963. We will place your statement in the record. (The requested statement follows:)

STATEMENT BY COMMISSIONER OF EDUCATION ON "SALARIES AND EXPENSES
(SPECIAL FOREIGN CURRENCY), OFFICE OF EDUCATION"

Public Law 86-480 authorizes the use of foreign currencies derived from the sale of surplus agricultural commodities abroad for scientific research and promotion and support of educational and cultural development. An amount of \$400,000 is requested for fiscal year 1963 for the purchase of currencies to make extensive studies in depth of certain aspects of education in Israel, Pakistan, and Yugoslavia; and to develop new research projects in the areas of talent, development of reading, and child development in India, Israel, and Poland. Included in the appropriation requested is an amount of \$22,800 which will be used to reestablish the projects for scanning, translation, purchase and shipment of published materials initiated during 1961 in Burma, Indonesia, Poland, and Yugoslavia.

The research activities carried on under this program supplement and complement regular activities of the Office of Education. They will strengthen the educational system of the United States by helping to meet the demand for meaningful, current reports on educational development, and adding significantly to educational and scientific knowledge in the United States through the development of new knowledge about the human learning process in people of different racial and cultural backgrounds.

SPECIAL FOREIGN CURRENCY PROGRAM, PUBLIC LAW 480

A small program for the screening, translation, and procurement of educational materials in certain foreign countries, was established by the Office of Education under authorization of its 1961 appropriation act and section 104(k) of Public Law 480. Foreign currencies were made available by the appropriation in Burma, Indonesia, Poland, Yugoslavia, and Colombia. The purpose of the program is to facilitate and accelerate comparative education research by making available, in usable form, current published information on education in those countries.

Under this program comparative education area specialists have made a total of four trips to survey education in countries in their respective areas and to establish local contract arrangements for translation and reporting of published materials. Active contracts for screening, translating and reporting current materials are in effect in Burma and Colombia. Two quarterly reports annotating current published educational materials have already been received from the Burmese contractor. The first of two annotated lists contracted for in Colombia has been completed. Negotiations for a contract in Indonesia have been complicated by unsettled political conditions, but a contract is about to be consummated with a unit of the Ministry of Education. Also, a contract with a Yugoslav documentary research institute is in final stages of negotiation.

At the suggestion of the American Embassy, an agreement has been reached with the National Science Foundation, to include the Office of Education's translating and reporting requirements within the scope of the NSF contract with the Central Institute for Scientific and Technical Documentation, Warsaw, Poland. Under this agreement the NSF will provide facilities and services under its own

contract to furnish selected translations and annotations of educational materials, as requested by the Office of Education. Polish currency held by the Embassy in the account of the Office will be transferred to the NSF account for this purpose.

Continuation of this program is dependent upon the authorization requested for fiscal year 1963. The initial appropriation request underestimated the cost of obtaining the requested translating and reporting services. Costs are affected by fluctuating exchange rates, and especially by the Ellender amendment to Public Law 87-128, which more than doubled the cost of obtaining services under the special foreign currency program in Poland.

COMPARATIVE EDUCATION

It is also proposed to make extensive studies in Pakistan to observe what is being done in the fields of teacher preparation, the extension of documentary education, the development of documentation centers, and statistical services and programs in industrial arts; to observe and summarize the status of education in Israel; and to explore the aspects of teacher education, adult education, and technical education in Yugoslavia.

EDUCATIONAL RESEARCH

The Office of Education undertakes to keep up with certain aspects of educational developments in several countries. In fiscal year 1963 funds are being requested to provide for the development of research projects in India, Israel, and Poland. These projects would yield data which might be compared or contrasted with education in the United States. The areas to be studied are (1) child growth and development; (2) the ability to read; and (3) distinguishing, detecting, and fostering talent in the Nation's youth. The ways in which different countries have handled these problems will shed light on the merit of the various solutions which have been worked out in our own country.

Mr. FOGARTY. What was accomplished with the \$30,750 appropriated for 1961?

Mr. McMURRIN. Those funds I think are still being expended. We have projects going in, if I am not mistaken, in at least two countries, Burma, and Colombia. The work on those projects is still underway. I do not think there are any accomplishments to report as yet but we would be glad to put a statement in the record.

Mr. FOGARTY. Put in the record how you are going to use this \$400,000, tell us what countries you will operate in and the programs you propose in each one.

Mr. HUGHES. Yes, sir.

(The information requested follows:)

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Summary of estimate

Project	Country	1963 estimate
1. Continuation of project for scanning, translation, purchase and shipment of published materials, initiated in 1961.	Burma.....	\$5, 700
1. Development of research agreements in the areas of talent, reading, and child development.	India.....	113, 000
1. Continuation of project for scanning, translation, purchase and shipment of published materials, initiated in 1961.	Indonesia.....	5, 700
1. Development of comparative education studies in depth of certain aspects of education.	Israel.....	13, 000
2. Development of research agreements in the areas of talent, reading, and child development.		180, 000
1. Development of comparative education studies in depth of certain aspects of education.	Pakistan.....	13, 000
1. Development of research agreements in the areas of talent, reading, and child development.	Poland.....	45, 200
2. Continuation of project for scanning, translation, purchase, and shipment of published materials, initiated in 1961.		5, 700
1. Development of comparative education studies in depth of certain aspects of education.	Yugoslavia.....	13, 000
2. Continuation of project for scanning, translation, purchase, and shipment of published materials, initiated in 1961.		5, 700
Total appropriations to purchase foreign currencies.....		400, 000

COMPARISON OF DOMESTIC AND FOREIGN CURRENCY RESEARCH

Mr. FOGARTY. How will this differ from foreign research under the regular appropriations for salaries and expenses?

Mr. HUGHES. The principal difference is that the research projects to be undertaken will be taken in the foreign country, rather than the work being done here. The kinds of problems that will be studied are basic educational problems that are of interest to this country. The work done in our Division of International Education is slightly different in terms of the kinds of studies that are done on foreign education systems. Making comparisons between foreign education programs and U.S. programs.

In many respects this is, however, an extension and complement of the program that is authorized under the Office of Education.

Mr. Flynt, who will have professional responsibility for the projects which are going to be launched in fiscal 1963 with these funds, perhaps could say a word or two about the nature of the kind of work which will be done and the results which are anticipated.

COUNTRIES IN WHICH FOREIGN CURRENCY FUNDS ARE UTILIZED

Mr. FLYNT. We propose utilization of funds in three areas: India, Poland, and Yugoslavia, where there are large currency reserves and where there are capabilities of conducting educational research along the same basis that we are. We have reason to believe, from contact with appropriate authorities, that we could successfully get something worthwhile done here.

The great advantage in the field of educational research is the intercultural interplay in a good deal of the educational activity carried on here. We are never quite sure scientifically whether it is simply an aspect of normal national American life or whether we are

working in another culture. It may be something which was going to happen anyway.

Dr. Ianni has been working on this personally, if you will permit him to say a bit about it.

Dr. IANNI. We made a very careful analysis in each of the three countries to see if research of the type you suggested can be conducted. As Mr. Flynt points out, in each case it will complement research which is going on already in the United States. It will not only benefit the foreign country, but greatly benefit American education as well.

COST OF EXPANDED PROGRAM FOR DEAF AND MENTALLY RETARDED CHILDREN

Mr. FOGARTY. One final question. The Department supports the broadening of programs to handicapped children to include other than the deaf and mentally retarded. Can you provide for the record the fund requirements in fiscal year 1963 and thereafter, if such legislation is enacted?

Mr. McMURRIN. We shall be very happy to do that, sir.
(The information requested follows:)

Amendment to Public Law 85-926—Expansion of teaching in education of the mentally retarded

	1963	1964	1965	1966	1967
Authorization: Training grants.....	No dollar amount authorized				
Appropriation requirements:					
Training grants.....	\$7,250,000	\$9,000,000	\$9,250,000	\$9,750,000	\$11,000,000
Administrative expenses.....	190,000	240,000	250,000	250,000	250,000
Total requirements.....	7,440,000	9,240,000	9,500,000	10,000,000	11,250,000
Expenditures:					
Training grants.....		7,250,000	9,000,000	9,250,000	9,750,000
Administrative expenses.....	175,000	236,000	249,000	250,000	250,000
Total expenditures.....	175,000	7,486,000	9,249,000	9,500,000	10,000,000
Number of positions.....	26	26	26	26	26
Man-years of employment.....	17	24	25	25	25

SOURCE OF FOREIGN CURRENCY FOR SPECIAL FOREIGN RESEARCH

Mr. MARSHALL. This \$400,000 you are asking permission to spend for these projects is made possible because of the accumulation of currencies resulting from the sale of agricultural commodities. Is that true?

Mr. HUGHES. That is correct.

Mr. MARSHALL. Would you be carrying on any of this work if those funds were not available?

Mr. KELLY. I think to some extent the answer, Mr. Marshall, is "Yes," because we do have comparative education studies which are carried on by the staff of the Office of Education, and the use of these funds permits us to extend that staff beyond the activity which could have been done within the limit of dollars. To accomplish the same purpose would have required an extension of our staff and the amount of money we could spend out of American dollars.

Mr. MARSHALL. Mr. Kelly, this is one place you can point to where you are saving some money for the taxpayer?

Mr. KELLY. Yes, sir.

Mr. MARSHALL. Where can I find in this budget that you have made some savings?

Mr. KELLY. I think the savings are savings in expenditures that would have occurred to meet a desirable objective. You have to recognize that you start with a very limited resource in the Office of Education in the field of comparative studies in international education. This gave us an opportunity to expand it. The same opportunity would have caused us to request additional funds.

Mr. MARSHALL. We are getting to about where we started from.

Would you have been doing this work if these currencies were not available to you?

Mr. KELLY. Let me say the Office of Education, before we ever heard of Public Law 480 funds, wanted to do this work, and they had not been successful in getting it in the budget.

Mr. FLYNT. We tried a long time to get this amount of research.

Mr. HUGHES. We wish Public Law 480 funds were available in some other countries.

Mr. FOGARTY. Is there anything else you would like to say, Doctor? It has been a long day.

Mr. McMURRIN. I would like to say, Mr. Chairman and Mr. Marshall, that we very much appreciate the opportunity of meeting before you. It has been a pleasant experience for all of us. We appreciate your generous attitude toward our problems.

May I personally express my appreciation to you, Mr. Chairman, and to the members of the committee, for your generous action in changing the date of this hearing to enable me to accept an appointment from the State Department abroad. Thank you very much.

Mr. FOGARTY. We hope you do not have a lot of money put in reserve again if we treat you as well as I hope we will. I know you did not suggest the reserve.

Mr. McMURRIN. No; that was not a suggestion which came from us. That is quite right.

Mr. FOGARTY. Thank you very much. We will reconvene at 10 in the morning.

ST. ELIZABETHS HOSPITAL

WITNESSES

DR. WINFRED OVERHOLSER, SUPERINTENDENT
 DR. DALE C. CAMERON, ASSISTANT SUPERINTENDENT
 M. K. MADDEN, EXECUTIVE OFFICER
 LYLE C. VanMERE, CONSTRUCTION AND MAINTENANCE ENGINEER
 F. M. HALL, BUDGET OFFICER
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	14,440	15,691	16,704
Positions other than permanent.....	25	51	51
Trainees (interns and residents).....	253	391	417
Other personnel compensation.....	736	682	687
Total personnel compensation.....	15,454	16,815	17,859
12 Personnel benefits.....	1,114	1,217	1,282
21 Travel and transportation of persons.....	15	16	18
22 Transportation of things.....	15	15	15
23 Rent, communications, and utilities.....	194	196	207
24 Printing and reproduction.....	21	21	21
25 Other services.....	109	210	227
26 Supplies and materials.....	3,684	3,752	4,220
31 Equipment.....	260	200	450
42 Insurance claims and indemnities.....	2	1	1
Subtotal.....	20,868	22,443	24,300
Deduct charges for quarters, subsistence, and laundry.....	20	30	30
Total obligations.....	20,848	22,413	24,270

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	3,321	3,621	3,655
Full-time equivalent of other positions.....	95	136	142
Average number of all employees.....	3,140	3,404	3,618
Number of employees at end of year.....	3,425	3,745	3,779
Average GS grade.....	4.7	5.0	5.2
Average GS salary.....	\$5,083	\$5,130	\$5,176
Average salary of ungraded positions.....	\$4,079	\$4,047	\$4,047

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
Operating costs:			
1. Operation and maintenance.....	20,370	21,773	23,296
2. Training and education.....	378	547	606
3. Research.....	42	103	123
Total operating costs.....	20,790	22,423	24,025
Unfunded adjustment to total operating costs: Property or services transferred in without charge, net.....	-212	-160	-160
Total operating costs, funded.....	20,578	22,263	23,865
Capital outlay:			
1. Operation and maintenance.....	236	170	372
2. Training and education.....	3	1	3
3. Research.....	9	9	30
Total capital outlay.....	248	180	405
Unfunded adjustments to total capital outlay: Above capital assets transferred in without charge, net.....	-56		
Total capital outlay, funded.....	192	180	405
Total operating costs, funded, and capital outlay funded.....	20,770	22,443	24,270
Change in selected resources ¹	78	-30	
Total obligations.....	20,848	22,413	24,270
Financing:			
Advances and reimbursements from—			
Other accounts.....	-1,334	-1,593	-1,667
Non-Federal sources (32 D.C. Code 401-416).....	-14,951	-15,715	-16,629
Unobligated balance lapsing.....	10		
New obligational authority (appropriation).....	4,572	5,105	5,974

¹ Selected resources as of June 30 are as follows:

	1960	1961 adjust- ments	1961	1962	1963
Stores.....	467		474	444	444
Unpaid undelivered orders.....	122	-5	188	188	188
Total selected resources.....	589	-5	662	632	632

BUILDINGS AND FACILITIES

Program and financing

[In thousands of dollars]

	Costs to this appropriation			Analysis of 1963 financing			
	To June 30, 1960	1961 actual	1962 estimate	1963 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required, 1963
Program by activities:							
1. Construction, continued treatment building	15	4	252	1,317	124	5,542	6,735
2. Miscellaneous improvements of existing facilities	3,431	259	416	494	190	1,057	1,360
3. Construction and equipment, treatment and cafeteria building	178	280	2,611	1,230	1,604	374	
4. Extension and modernization of administration building		10	315	176	176		
5. Construction and equipment of treatment building	6,355				20		
6. Construction and equipment, maximum security building	7,724	34	8				
Total program costs	17,703	587	3,602	3,217	2,114	6,993	8,095
Change in selected resources ¹		3,008	-1,928	4,944			
Total obligations		3,595	1,674	8,161			
Financing:							
Comparative transfers from other accounts		-4,535					
Unobligated balance brought forward		-135	-1,350	-930			
Unobligated balance transferred (67 Stat. 501) from—							
“Construction and equipment, treatment and cafeteria building”			-525				
“Extension and modernization of administration building”			-84				
Unobligated balance carried forward		1,350	930	864			
Unobligated balance lapsing		70					
New obligatory authority		345	645	8,095			
New obligatory authority:							
Appropriation		345	575	8,095			
Reappropriation			70				

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$105,000; 1961, \$3,113,000; 1962, \$1,185,000; 1963, \$6,129,000.

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
ST. ELIZABETHS HOSPITAL			
25 Other services.....	124	225	70
26 Supplies and materials.....	19	2	
31 Equipment.....	15		
Total, St. Elizabeths Hospital.....	158	227	70
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
21 Travel and transportation of persons.....		2	1
24 Printing and reproduction.....	6	15	9
25 Other services.....	122	383	245
31 Equipment.....	5		872
32 Lands and structures.....	3,304	1,047	6,964
Total, General Services Administration.....	3,437	1,447	8,091
Total obligations.....	3,595	1,674	8,161

GENERAL STATEMENT

Mr. DENTON. The committee will come to order. Do you have a statement, Doctor?

Dr. OVERHOLSER. I have a fairly brief one. I also have two prepared statements I would like to submit for the record.

Mr. DENTON. Very well.

(Dr. Overholser's prepared statements follow:)

SALARIES AND EXPENSES

Mr. Chairman and members of the committee, I should like, for the benefit of the committee, to preface my statement on the 1963 appropriation requests of St. Elizabeths Hospital with a few facts on the history and functions of the hospital.

HISTORY AND FUNCTIONS

St. Elizabeths Hospital was established by the act of March 3, 1855 as the Government Hospital for the Insane. It became St. Elizabeths Hospital by the act of July 1, 1916. The hospital provides care and treatment for several classes of mentally ill persons, including residents of the District of Columbia, beneficiaries of the Veterans Administration, beneficiaries of the Public Health Service, mentally ill persons charged with or convicted of crimes in the U.S. courts, including courts of the District of Columbia, certain American citizens and nationals found mentally ill in foreign countries, the Canal Zone and the Virgin Islands, and members of the military services admitted to the hospital prior to July 16, 1946.

POLICIES AND PROGRAMS

The statutory responsibility of St. Elizabeths Hospital is to furnish "the most humane care and enlightened curative treatment" to the mentally ill. Present policies and programs are directed toward the accomplishment of this primary function of the hospital—the care of the patient, and include (a) the most effective modern treatment methods attainable with available resources, (b) the instruction and training of physicians and members of related professions and services, and (c) carrying out and cooperating with others in scientific research into the nature, causes, prevention, and treatment of mental illness.

FINANCING

Funds for the operation of the hospital are obtained through a direct appropriation covering most of the Federal beneficiaries and by reimbursements for care rendered other groups, principally residents of the District of Columbia.

In recognition of the national significance of the hospital's research and training programs, and in accordance with the provisions of the 1962 appropriation act, 100 percent of the cost of the research activity and 40 percent of the cost of training (the estimated portion not directly related to patient care) are borne directly by the Federal Government and excluded from rate calculations for reimbursing agencies.

DISTRICT OF COLUMBIA PARTICIPATION IN BUDGET FORMULATION

The District of Columbia, for whose residents the hospital provides care and treatment on a reimbursable basis, has participated in the formulation of the 1963 budget requests of Saint Elizabeths Hospital and approves of the increases requested.

PATIENT LOAD

Requirements for 1963 are based on an estimated average patient load of 6,829, a net decrease of 51 below the level projected for the current fiscal year. The 1963 estimate reflects an anticipated decrease of 116 in the reimbursable patient groups and an increase of 65 in the nonreimbursable (Federal) categories. Decreases in the reimbursable group are principally in the District of Columbia categories and reflect the expected results of an accelerated program to return more patients to the community. The increase of 65 in the nonreimbursable group is primarily in the prisoner categories and is based on the constantly increasing prisoner load and the tendency of the courts to refer or commit more patients of this type.

SUMMARY OF FISCAL YEAR 1963 INCREASES

Saint Elizabeths Hospital is requesting a total budget authorization of \$24,270,000 for fiscal year 1963. This is an increase of \$1,680,000 over estimated available funds for the current fiscal year, including a proposed supplemental appropriation. The additional funds are required to cover "built-in" or mandatory increases in operating costs totaling \$734,060 and program improvements estimated at \$1,020,940, which are partially offset, however, by decreases totaling \$75,000.

MANDATORY OR BUILT-IN INCREASES

Mandatory or built-in increases for the following items are provided for in the 1963 budget to permit the hospital to carry out presently authorized programs:

1. Annualization of the cost of 300 new positions authorized for part of fiscal year 1962.
2. Annualization of wage increases granted laundry workers in September 1961.
3. Cost of position reallocations required under civil service regulations and job standards.
4. Cost of repayments to employees compensation fund under provisions of Public Law 86-767.
5. Increase in electricity costs due to opening and operation of the new treatment and cafeteria building in 1963.
6. Cost of stipend increases granted certain interns and residents.

PROGRAM INCREASES

In addition to funds required to meet mandatory operating costs, the hospital in 1963 requests approval of additional funds for the following program increases which will permit the hospital to make some improvement in the levels of care and treatment furnished patients, particularly with respect to the adequacy of available supplies and equipment:

1. An increase of 34 positions to provide the medical and ancillary professional staff required for the opening and operation of the new treatment and cafeteria building scheduled for patient occupancy about March or April 1963. Nursing, dietary, and other staff (totaling 247) required for the new building will be provided through transfer of all employees (31) from facilities being replaced and by utilization of new positions (216) authorized for 1962.

2. An increase in average employment to be obtained through a reduction in the lapse rate on currently authorized staff to a level consistent with the hospital's current experience.

3. Additional funds required to correct an existing disparity between fees paid to visiting physicians (consultants in medical specialties) by St. Elizabeths and those paid by other Federal hospitals in the Washington area.

4. General improvement in the hospital's supply programs to provide more adequate levels of food, clothing, drugs and medicines, medical supplies, and other materials required for effective patient care and proper maintenance of hospital property and facilities.

5. Additional equipment funds are requested to permit a reduction in a backlog of deferred replacement items, meet current annual replacement needs, and provide for minimum purchases of new or additional items. Approval of the request will enable the hospital to begin a replacement program and keep pace with new developments in hospital equipment.

6. Minor increases required to provide for necessary expansion of telephone facilities and minimum travel needs of the hospital's research and training staffs.

DECREASES

Increases proposed for 1963 are offset partially by a small decrease in the cost of repair projects planned for 1963, and by wage board hourly rate increases granted employees in December 1962. The current year cost of the latter is included in a proposed supplemental for 1962 and reflected in the 1962 columns of the 1963 budget document, but is not provided for in the 1963 requests. A supplemental to cover the 1963 cost of these wage increases will be proposed for later transmission.

CONCLUSION

Approval of the 1963 budget proposals of St. Elizabeths Hospital will support the hospital's efforts to provide a more acceptable and effective care and treatment program for its patients.

BUILDINGS AND FACILITIES

Mr. Chairman and members of the committee, the buildings and facilities appropriation account covers all construction and facility improvement items of St. Elizabeths Hospital. Funds requested for the account in fiscal year 1963 will provide for the construction and equipment of a new patients treatment facility and for five projects involving improvements to existing facilities of the hospital. The request, which totals \$8,095,000, is set forth under the following activity headings:

CONSTRUCTION, CONTINUED TREATMENT BUILDING

An amount of \$6,735,000 is included in the 1963 budget for the construction and equipment of a 450-bed patient treatment center to replace three smaller obsolete patient buildings constructed during the period 1853-72. Plans and specifications for the new center are being prepared in the current fiscal year with funds appropriated for the purpose in fiscal years 1959 and 1962.

The proposed new facility, part of the hospital's long-range program for replacement of antiquated buildings, will be used as a rehabilitation center for those male and female patients of any age group who have demonstrated a motivation or capacity for motivation towards effective living outside the hospital. At present, those patients who do not recover sufficiently to leave the hospital from the admission and intensive treatment service but have the potentials for recovery and return to the community after further treatment, are necessarily transferred to a long-term care service where little beyond general medical care is available. A special treatment service is needed for this type of patient—a service in which would be concentrated those rehabilitative activities of the hospital which are now widely scattered and relatively uncoordinated. Construction of the proposed new facility will not only permit the replacement of antiquated structures, but will provide the hospital with a badly needed rehabilitation service in which to prepare patients for return to society.

Total cost of the project, based on a consultants' program statement and estimates of the Public Buildings Service, is \$7,130,000, including planning funds (\$395,000) previously authorized.

MISCELLANEOUS IMPROVEMENTS OF EXISTING FACILITIES

An amount of \$1,360,000 is requested under this activity heading in fiscal year 1963 for continuation of the hospital's program of restoration and modernization of existing facilities: The request covers the following five projects:

1. Replacement of four 35-year-old oil-fired boilers which have been determined to be unsafe for continued use.
2. Installation of automatic sprinkler systems in all non-fire-resistant buildings housing patients.
3. Continuation of the hospital's current program of modernization of dishwashing installations.
4. Undertaking of an engineering study to (1) determine deficiencies and needs, and (2) develop recommendations and plans for modernization of the hospital's plumbing system.
5. Continuation of the hospital's current program of replacement, extension, and modernization of basic electrical facilities.

Approval of funds for these projects will permit the hospital to provide more adequately for the safety and welfare of its patients.

FINANCING

A proportionate share of the cost of these activities will be borne by the District of Columbia whose officials have approved the proposed projects. The District's share of the cost, estimated at \$5,630,000, will be collected over a period not exceeding 40 years following completion of the projects and will be deposited in the Treasury to the credit of miscellaneous receipts in accordance with the provisions of Public Law 472, 83d Congress.

PROGRAM AND OBJECTIVES

Dr. OVERHOLSER. Mr. Chairman and members of the committee, I welcome this opportunity to meet again with you to explain the program objectives and appropriation requests of St. Elizabeths Hospital for fiscal year 1963. I have prepared opening statements covering in some detail the budget items of the hospital for the coming fiscal year. With your permission, I should like to insert these statements in the record in full and summarize them briefly at this time.

St. Elizabeths Hospital is a Federal institution, charged by statute with the responsibility for furnishing the most humane care and enlightened curative treatment to the mentally ill. Funds for the operation of the hospital are obtained through a direct appropriation covering most of the Federal beneficiaries and by reimbursements for care and treatment rendered other patient groups, principally residents of the District of Columbia. I should like at this point to inform the committee that the District of Columbia has participated in the development of the 1963 budget of St. Elizabeths Hospital and concurs with its provisions.

Budget estimates of the hospital are set forth under two appropriation headings: "Salaries and expenses" and "Buildings and facilities." The salaries and expenses appropriation provides funds for the general operation and maintenance of the hospital; the buildings and facilities appropriation covers capital outlay for major alterations and improvement of existing facilities and new construction.

SALARIES AND EXPENSES

The 1963 budget for salaries and expenses provides for an increase of \$692,000 in the direct appropriation and \$988,000 in reimbursements, a total increase of \$1,680,000 over the amounts anticipated in

the current fiscal year. The additional funds are required principally for (1) annualization of the cost of new positions authorized in 1962; (2) cost of position reallocations required under Civil Service Commission regulations and job standards; (3) an increase in average employment through a reduction in the lapse rate on currently authorized staff; (4) 34 additional medical and ancillary positions required for opening and operation of a new patient treatment facility; and (5) general improvement in the hospital's supply and equipment programs.

BUILDINGS AND FACILITIES

The buildings and facilities budget proposals for 1963 total \$8,095,000, an increase of \$7,449,791 over the amounts authorized under this heading in fiscal year 1962. Principal item is a request for \$6,735,000 for the construction and equipment of a 450-bed continued treatment facility to replace 3 smaller obsolete buildings constructed during the period 1853-72. Plans and specifications for this badly needed facility, which will serve as the hospital's patient rehabilitation center, are being prepared in the current fiscal year with funds appropriated for the purpose in fiscal years 1959 and 1962. The budget also provides \$1,360,000 for five facility improvement projects, principal of which is the installation of automatic sprinkler systems in non-fire-resistant buildings housing patients. These projects are part of the hospital's continuing program of restoration and modernization of existing facilities.

A proportionate share of the cost of activities carried on under the "Buildings and facilities" account will be borne by the District of Columbia whose officials have agreed to the proposed 1963 projects. The District's share of the 1963 cost, estimated at \$5,630,000, will be collected over a period of years following completion of the projects and will be deposited in the Treasury to the credit of miscellaneous receipts in accordance with the provisions of Public Law 472, 83d Congress.

I have attempted to outline briefly the principal provisions of the hospital's 1963 budget requests. Approval of the proposed budget will further the hospital efforts to provide more effective treatment programs for its patients.

I am grateful for the opportunity of discussing our needs with the committee and I shall be happy to answer any questions.

1963 BUDGET PROPOSALS

Mr. DENTON. As I understand it, the appropriation for 1962 is \$5,105,000. The request for 1963 is \$5,974,000, which is an increase of \$869,000.

Dr. OVERHOLSER. That is correct.

Mr. DENTON. Taking the reimbursements and proposed supplemental for 1962 into account, the total of funds available in 1962 is \$22,590,000. The estimate for 1963 is \$24,270,000, which is an increase of \$1,680,000.

Dr. OVERHOLSER. Yes, sir.

Mr. DENTON. Of this increase, \$734,000 is for mandatory items that add nothing to your current program, and \$178,000 is for reduction in lapse for currently authorized staff; is that right?

Mr. HALL. That is right.

Mr. DENTON. Then about \$700,000 is needed for necessary equipment and supplies?

Mr. HALL. That is correct.

Mr. DENTON. So that does not leave very much for improving your operation, does it?

Dr. OVERHOLSER. No, sir.

Mr. DENTON. Do you think it ought to be increased?

Dr. OVERHOLSER. All I can say is that the President's budget has called for these figures and I am here to defend them. Of course, any institution, I suppose, can always use more than it has.

ORIGINAL BUDGET REQUEST

Mr. DENTON. You originally requested \$6,332,000, did you not?

Mr. HALL. Yes, sir.

Mr. DENTON. Would you put in the record how that would be spent?

Mr. HALL. Yes, sir.

(The information follows:)

INITIAL FISCAL YEAR 1963 BUDGET REQUEST AND SUBSEQUENT ADJUSTMENTS

The following statement sets forth by object class of expenditure the proposed use of amounts included in the hospital's initial salaries and expenses budget request for fiscal year 1963:

Object class	Budget submitted to Department of Health, Education, and Welfare		Subsequent adjust- ments		President's budget to Congress	
	Perma- nent positions	Amount	Perma- nent positions	Amount	Perma- nent positions	Amount
Personal services ¹	4,517	\$22,126,500	-862	-\$3,015,000	3,655	\$19,111,500
Supplies.....		4,288,000		-68,000		4,220,000
Equipment.....		450,000				450,000
All other.....		514,500		-26,000		488,500
Total obligations.....	4,517	27,379,000	-862	-3,109,000	3,655	24,270,000
Less anticipated reimburse- ments.....		21,047,000		-2,751,000		18,296,000
Direct appropriation.....		6,332,000		-358,000		5,974,000

¹ Total personnel compensation and personnel benefits less QS&L deductions.

Differences between the hospital's initial request and the President's budget to Congress are summarized below:

Deletions and reductions subsequent to initial submission..... -\$3,314,000
Reprogramming changes:

(a) Reduction in lapses on currently authorized staff.....	+ \$177,940	
(b) Stipend increases for trainees.....	+ 26,060	
(c) Payments to employees compensation fund.....	+ 1,000	
		+ 205,000

Net change..... -3,109,000

The \$3,314,000 deleted from the hospital's original request would have provided for the following program improvements:

1. 269 permanent positions for the new treatment and cafeteria building, \$723,000

These positions were requested to provide total additional staffing of 303 which the hospital believed necessary for effective utilization of this new patient

treatment facility. The request for 303 new positions for this purpose was subsequently reduced to 34.

2. *593 permanent positions for other hospital areas, \$2,317,000*

These positions were requested to provide relief of understaffing.

3. *45 trainee positions, \$180,000*

An increase of 45 unclassified intern and resident trainee positions was requested as a step in the expansion of the training program in keeping with the available clinical resources for such training.

4. *Increase in fees paid visiting physicians, \$23,000*

The initial budget included a request for an additional \$48,000 to correct existing disparities between fees paid to visiting physicians (consultants in medical specialties) by St. Elizabeths Hospital and those paid by other Federal hospitals in the Washington area. This request was reduced to \$25,000.

5. *Supplies, \$68,000*

The \$68,000 deleted from the hospital's initial request for supply funds would have provided principally for improvements in the variety and nutrient content of meals served patients.

6. *Travel, \$3,000*

The \$3,000 reduction in travel funds would have made available an additional amount required for expansion of the hospital's employee training program and for greater participation of staff members in meetings of professional groups on matters associated with mental health activities.

NUMBER OF POSITIONS REQUESTED COMPARED WITH ADVISORY GROUP'S
RECOMMENDATIONS

MR. DENTON. You are just asking for 29 additional positions for "Operation and maintenance"; is that right?

MR. HALL. Thirty-four.

MR. DENTON. Thirty-four?

MR. HALL. Thirty-four new positions, largely medical and ancillary.

MR. DENTON. How many more positions would you need if you brought the staff up to the level recommended by the last group of outside experts?

DR. OVERHOLSER. That study was made in 1957. We are at present in the process of making a reevaluation of our needs. That is not yet completed. As of the 1957 estimates, making allowance for the fact that during that period we opened John Howard Pavillion, for instance, a new building, it would be 873.

MR. DENTON. This group that made that study, is that a pretty reputable group?

DR. OVERHOLSER. Yes, indeed.

MR. DENTON. Would you put the names in the record?

DR. OVERHOLSER. I will be happy to.

(The information follows:)

STAFFING SURVEY CONSULTANTS

The consultant group, appointed in December 1957 to make an independent appraisal of the staffing problems of St. Elizabeths Hospital, was comprised of the following:

Chairman: Alfred Paul Bay, M.D., certified mental hospital administrator; diplomate, American Board of Psychiatry & Neurology; fellow, American Psychiatric Association; superintendent, Topeka State Hospital, Topeka, Kans.

Other members:

Kathleen Black, R.N., director, Mental Health & Psychiatric Nursing Advisory Service, National League of Nursing.

William H. Hardwick, budget officer, State of Indiana, Indianapolis, Ind.
 Malcolm J. Farrell, M.D., certified mental hospital administrator; diplomate, American Board of Psychiatry & Neurology; fellow, American Psychiatric Association; superintendent, Walter E. Fernald State School, Waverly, Mass.

Fritz A. Freyhan, M.D., diplomate, American Board of Psychiatry & Neurology; fellow, American Psychiatric Association; clinical director, Delaware State Hospital, Farnhurst, Del.

ADDITIONAL OPERATIONAL AND MAINTENANCE EMPLOYEES

Mr. DENTON. To go back to your new positions, please look at page 217 of the justifications, which shows "Operation and maintenance." That shows 29 additional positions and not 34.

Mr. HALL. This, sir, happens to be only one activity, "Operations and maintenance of the hospital." It shows 29 positions.

Mr. DENTON. That is what I asked about.

Mr. HALL. The 29 jobs for operation and maintenance of the hospital is a net increase. We have two other hospital activities, "Training and education" and "Research." We have proposed in this budget to transfer from the "Operation and maintenance" activity five presently authorized positions, which are primarily involved in training and research work, to these other two activities.

Mr. DENTON. But "Operation and maintenance" is your basic activity, and you are only asking for 29 additional employees?

Mr. HALL. We are asking for 34 new jobs. Five jobs, presently carried under "Operation and maintenance" but more properly belonging in the training and education activities, would be transferred to these two activities. This would result in a net increase of 29 for the "Operation and maintenance" activity.

Mr. DENTON. So there is an increase of 29, then?

Mr. HALL. In that activity.

Mr. DENTON. Net increase of 29?

Mr. HALL. That is right.

PROPOSED SHIFT IN BASIS FOR FINANCING

Mr. DENTON. I notice that you originally asked for \$6,332,000 and the Department raised it to \$25,495,000.

Mr. KELLY. Mr. Chairman, we proposed to the Bureau of the Budget that the 1963 budget not be on the basis of part of the cost of the operation being financed from appropriated funds and part of it being financed from reimbursements but that the total hospital be provided for by an appropriation and that the reimbursements from the District of Columbia and other sources of reimbursement be deposited in the Treasury. Thus the hospital's operation would not be dependent upon the indefinite potential of reimbursements but they could know at the beginning of the year the total availability of resources and manage the hospital in accordance with that determination.

Mr. DENTON. This \$25,495,000 was composed of \$19,129,000 that you estimated would be reimbursement and the balance from the Federal Treasury; is that right?

Mr. KELLY. The net result would have that effect; yes, sir. We proposed that all of it be in the form of an appropriation and that the

estimated reimbursements be a deposit to the Treasury of the United States.

Mr. DENTON. But am I getting it right that the way you estimated the budget was that the Government would pay the difference between \$25,495,000 and \$19,129,000?

Mr. KELLY. That would be a charge against the general fund of the American taxpayers; yes, sir.

RESEARCH PROGRAM

Mr. DENTON. Tell us what you are doing with your research program, Doctor.

Dr. OVERHOLSER. I will speak primarily, if I may, Mr. Chairman, of that part of our research program which is financed from the St. Elizabeths fund. As you are probably aware, NIMH also has a large project underway. We have integrated it very much with the rest of the hospital, but they are on another appropriation. We have a number of grants already operative. We have started one new study which I think promises a great deal in the line of criminal behavior, a field which has not been studied very much. We are doing a great deal on the lines of psychological investigation as well.

A number of studies have been published, a very considerable number, during the past year by our own people and by the NIMH workers both. I have great confidence in the future of both of the projects.

Mr. DENTON. Do you have any other research besides that of a criminal nature?

STUDIES IN OPERANT CONDITIONING

Dr. OVERHOLSER. Yes, sir. Would you like to speak to that in more detail, Dr. Cameron?

Dr. CAMERON. There is another series of studies going on in the field of operant conditioning. This is a situation where one programs variable kinds of behavior into a machine, the subject responds to stimuli presented to him, and then his responses are also programmed in, so that the future problem is modified by his past responses.

This is the kind of daily living problem with which we all have to deal, rather than the usual straight conditioning type of experiment. This looks as though it is going to give us some very excellent leads on improved diagnostic procedures and improved understanding of why patients behave as they do.

We also have some studies going on in the field of communications which have to do with the way people who are ill communicate with each other and with those who are well. There are also a good many psychological studies, I do not remember all of them offhand, but there are quite a few of that particular type.

REHABILITATION THERAPY RESEARCH

Then we have just started a new program of research in the field of rehabilitation therapies. By that I mean such things as occupational therapy and recreational therapy, which are standard operating procedures in most hospitals. We really do not know which of these methods is better than another. They vary enormously in cost. We are trying to run controlled studies to find out which of these methods

seems to be most productive of results and the relative cost of various methods.

There just has not been much of this kind of research before, and it is quite important to hospitals like ours and others.

Mr. DENTON. Do you think, as a whole, the results are good?

Dr. CAMERON. We think we are getting some very interesting material. Bear in mind that the studies have not been underway very long under Federal auspices, I have been a little astonished, frankly, at the number of quite good papers which have been produced to date.

Mr. DENTON. Do you have anything else you want to put in the record?

Dr. CAMERON. About the types of research?

Mr. DENTON. Yes.

Dr. CAMERON. If you care for it, sir, we would be glad to submit for the record a detailed listing.

Mr. DENTON. All right.

Dr. OVERHOLSER. Perhaps a list of some of the papers which have been published during the past year would be of interest.

Mr. DENTON. Yes.

(The information follows:)

RESEARCH PROGRAM

The major concerns of the research activity of St. Elizabeths Hospital during the first year of its operation have been the development of basic program areas for research relevant to a Federal mental hospital setting and the recruitment of suitable scientific and supporting personnel. Attention has been given to the development of a clinical research facility (the William A. White Building) for investigation of methods of treatment (including pharmacological methods) of the mentally ill. Other established program areas now include (1) investigation of mentally ill prisoner patients with respect to psychiatric, constitutional, sociological, and biochemical factors in criminal behavior; (2) development of objective techniques for the assessment of human behavior, both normal and pathological, utilizing improved forms of electronic instrumentation developed at St. Elizabeths Hospital; (3) investigation of psychological and physical response to emotional stress in normal and mentally ill subjects; (4) investigation of the psychological and biological factors associated with certain types of recurrent, periodic, pathological behavior in the mentally ill; (5) investigation of the pathology of language and nonverbal forms of communication in psychiatric subjects; (6) investigation of the role of physical constitutional factors in mental illness and pathological human behavior; and (7) investigation of the effects of drugs upon basic sensory processes in normal and mentally ill subjects. Each of these programs has been established within the past year. Following is a list of publications and reports prepared on the basis of studies recently completed:

1. "A Comparison of the Therapeutic and Toxic Effects of Thioridazine and Chlorpromazine in Chronic Schizophrenic Patients," by Francis N. Waldrop, M.D., Robert H. Robertson, M.D., and Alkinoos Vourlekis, M.D.
2. "Authoritarianism, Conformity, and Confidence in a Perceptual Judgment Situation" (*The Journal of Social Psychology*, 1961, 55, 77-84), by Harold Weiner and Elliott McGinnies.
3. "Some Effects of Response Cost Upon Human Operant Behavior," by Harold Weiner, St. Elizabeths Hospital.
4. "Effects of d'Amphetamine Sulfate on Time and Brightness Perception in Human Subjects," by Harold Weiner, St. Elizabeths Hospital, and Sherman Ross, American Psychological Association.
5. "The Effects of Unwanted Signals and d'Amphetamine Sulfate on Observer Responses," by Harold Weiner, St. Elizabeths Hospital, and Sherman Ross, American Psychological Association.
6. "The MMPI in Diagnosis," by Margaret Mercer, Ph. D.
7. "An Investigation of the Interaction Between Drug Treatment and Nursing Care in a Mental Hospital Setting," by Helen K. Sainato, R.N., Nurse Con-

sultant, Research, and Francis N. Waldrop, M.D., Associate Director of Research, St. Elizabeths Hospital.

8. "Response Cost Contingencies and Fixed-Interval Performance," by Harold Weiner, Ph. D.
9. "Operant Programming With Transistorized Digital Elements," by Harold Weiner, Ph. D.
10. "Some Contributions to Average Rank Correlation Methods and to the Distribution of the Average Rank Correlation Coefficient," by Wilson L. Taylor, Ph. D., and Ching Fong, M.A.
11. "Exact Frequency and Probability Distributions of Average RHO and D² for Many Cases of M Groups With Equal N's per Group," by Wilson L. Taylor, Ph. D., and Ching Fong, M.A.
12. "A Study of the Psychometric Records of Spastic Dysphonics To Determine the Extent of Neuropathology as Opposed to Psychopathology Involved," by James I. Lore.
13. "Levels of Cortical Conductivity as an Indicator of Pathology. A Study of the Kinesthetic After effect in a Brain-Damaged Population," by Pauline Glover.
14. "Investigation of Fantasy Activity by Means of the Cypress Knees Test; a Three-Dimensional Projective Technique," by Geraldine A. Graham.
15. "A Validating Study of the Rosenzweig Picture Frustration Test," by Margaret Mercer and Christ Kyriazis.
16. "Diagnostic Testing in Two Cases of Schizophrenic Depression," in Murray H. Sherman (editor), *A Rorschach Reader*, New York, International University Press, 1961, by Margaret Mercer.

The inclusion of student thesis research in the research programs of St. Elizabeths Hospital provides direct contributions to the substance of those programs and is necessary for the maintenance of accreditation of the hospital by the American Psychology Board for training and education and serves as a potential source of hospital staff recruitment. Student thesis projects for master and doctoral dissertation recently completed at St. Elizabeths Hospital under supervision of the Research Activity include the following:

1. "The Effects of Distraction on the Performance of the Digit Symbol Substitution Test and the Continuous Performance Test in Schizophrenic, Psychoneurotic, and Normal Individuals," by Eugene C. Stammeyer (Ph. D. dissertation in psychology, the Catholic University).
2. "A Study of Fantasy Activity as Reflected in the Thematic Apperception Test of Women Patients Who Though Clinically in Remission Find it Difficult to Leave the Hospital," by Elizabeth L. Stirling (master's thesis, George Washington University).
3. "A Study of Word Recognition and Concomitant Galvanic Skin Responses of a Group of Schizophrenic Patients and a Group of Graduate Students," by Lourdes Ortega (master's thesis, George Washington University).
4. "A Comparison of Semantic Structures of Ideal and Actual Concepts of the Self and Certain Important Socializing Agents in a Normal Male Group and a Group of Male Prisoner Patients Who Have Expressed Aggressive Behavior in the Form of Criminal Assault, Homicide, or Rape," by Christ W. Kyriazis (Ph. D. dissertation, George Washington University).

BUILDINGS AND FACILITIES

Mr. DENTON. Let us take up "Buildings and facilities." Your appropriation for 1962 is \$575,000, and the request for 1963 is \$8,095,000.

REHABILITATION CENTER

The main item of the 1962 budget was "Plans and specifications for the rehabilitation center": \$6,735,000 of the request for 1963 is for construction of that facility; is that right?

Dr. OVERHOLSER. That is correct.

Mr. DENTON. I believe you told us what that building would replace, have you not?

Dr. OVERHOLSER. Yes; some of the old buildings on the west side of Nichols Avenue, which were put up the better part of a hundred years ago.

Mr. DENTON. \$6,375,000 represents the full cost of this building?

Dr. OVERHOLSER. As far as we can tell at the moment, it will cover the full cost of construction.

Mr. DENTON. When would you start construction if you get the funds?

Dr. OVERHOLSER. Probably well into fiscal year 1963.

Mr. DENTON. What do you mean by well into it; the fall or next spring?

Dr. OVERHOLSER. I should think probably closer to the end of the fiscal year, May or June.

Mr. DENTON. Next year?

Dr. OVERHOLSER. Yes, sir. There is a good deal of detailed work to be done on the planning yet.

Mr. DENTON. When will it be completed?

Mr. HALL. About 2 years after construction starts, which would be some time around June 1965.

Mr. DENTON. How much of the cost is borne by the District of Columbia?

Mr. HALL. The figure is approximately \$5 million.

SPRINKLER SYSTEM AND BOILER REPLACEMENT

Mr. DENTON. The only other items of consequence are \$865,000 for the installation of the sprinkler system, and \$350,000 to replace boilers. You have told us partly about that. Do you want to say something further about it?

Dr. OVERHOLSER. Many of our buildings were put up long before attention was being paid to matters of fire prevention. None of them have sprinklers. They are, however, nonfire resistant, they are largely of wood construction and actually during the past year we have had two fires in them. We had a very thoroughgoing survey made and, as a result of that survey, we are making this recommendation, which the Bureau of the Budget has approved, for the sprinklers.

As to the boilers, one has already been completely condemned, and the three others are, so to speak, on probation. But they are really pretty much through. They have to be replaced for safety's sake. We need them to fall back on, particularly in the summertime when we shut down the coal boilers for repairs.

Mr. DENTON. Is there anything more you people want to say?

Dr. CAMERON. If I could say just what we mean by probation, we have had to reduce the steam pressure in three of the boilers from 150 pounds to 100 pounds pressure, and we are running them on that basis by courtesy of the District of Columbia Inspection Department until we can get them replaced.

Mr. DENTON. You would not feel very safe if you were in the room where they were?

Dr. CAMERON. I do not know. I think they are probably reasonably safe, but that is a rather inefficient way to run a boiler.

Dr. OVERHOLSER. With the lowered pressure, we are not getting the proper efficiency.

PROPOSED 10-YEAR PROGRAM

Mr. FOGARTY. Whatever happened to that 10-year program to convert your place into a model mental hospital that was announced by Secretary Flemming over a year ago?

Dr. OVERHOLSER. We are still working at it.

Mr. FOGARTY. Are you making any progress?

Dr. OVERHOLSER. We have ideas on a number of things.

Mr. FOGARTY. Ideas but no action?

Dr. OVERHOLSER. Something like that.

Mr. FOGARTY. Did you concur in this 10-year program? Did you think it was a good idea?

Dr. OVERHOLSER. Yes, indeed.

Mr. FOGARTY. Do you think it should be done?

Dr. OVERHOLSER. Yes; there is no reason why Saint Elizabeths should not be the model mental hospital of the world.

Mr. FOGARTY. I think so, too. Why do we not do something about it? Did you ask the Department for a start along this line this year?

Mr. KELLY. There is no question about it. The Department did not concur in as large an increase as the hospital recommended, simply because we did not think that much could be accomplished in 1 year. We did support a sizable expansion of the hospital, and it is not totally included in here.

I might say, however, that there is a series of studies underway now between St. Elizabeths Hospital, the Department, and the Bureau of the Budget directed at two objectives: First, the long-term future of the hospital and, second, the ways and means of providing the hospital as an outstanding demonstration of what can be done in the field of mental illness. The Secretary has been strongly in support of this objective.

Mr. FOGARTY. I think this committee has treated St. Elizabeths pretty well over the past years.

Dr. OVERHOLSER. Yes, indeed.

Mr. FOGARTY. If the 10-year program is good and will make it a model hospital, we would like to see these plans put into effect. Will you see to it that the Secretary receives this message?

Mr. KELLY. I will, indeed.

Mr. FOGARTY. We did it for Howard, we did it for Gallaudet, which was a long-range program.

Dr. OVERHOLSER. I would not say progress has not been made at St. Elizabeths, thanks to this committee. We have made progress, we have new buildings. And we increased our personnel quite substantially.

Mr. FOGARTY. But you have a long way to go, do you not?

Dr. OVERHOLSER. Yes.

BUDGET CUTS BY BUREAU OF THE BUDGET

Mr. FOGARTY. How did you fare at the Bureau of the Budget? They cut you substantially, did they not?

Dr. OVERHOLSER. Yes, sir.

Mr. FOGARTY. Will you put in the record what they cut, how many positions and how many dollars, and what you would use the money for?

Mr. HALL. You want that furnished for the record?

Mr. FOGARTY. Yes.

Mr. HALL. Yes, sir.

Mr. FOGARTY. Thank you very much.

(The information follows:)

DELETIONS FROM THE HOSPITAL'S 1963 REQUEST TO THE BUREAU OF THE BUDGET

The following items were deleted from the hospital's 1963 budget requests by the Bureau of the Budget:

Salaries and expenses

216 permanent positions for the new treatment and cafeteria building	\$599,400
150 permanent positions for other hospital areas	625,840
20 trainee positions	83,676
Reduction in additional funds requested to increase fees paid visiting physicians	23,000
Reduction in increase requested for supplies and materials	68,000
Reduction in request for travel funds	3,000
Total reductions and deletions	1,402,916

Positions for treatment and cafeteria building.—The hospital's submission to the Bureau of the Budget included a request for 250 additional positions to provide adequate staffing levels for the new treatment and cafeteria building scheduled for patient occupancy in the latter part of fiscal year 1963. The request covered the medical and ancillary, nursing, dietary, and maintenance personnel required for effective utilization of the new facility. Only 34 medical and ancillary positions were approved. The remaining 216 positions required for staffing of this facility will be provided through utilization of new positions authorized in fiscal year 1962 for other areas of the hospital.

Positions for other hospital areas.—The 150 permanent positions deleted from the hospital's request for staff additions in areas other than the new patient treatment facility (treatment and cafeteria building) are part of a planned staff improvement program of several years' duration which will ultimately provide the levels of employment required for effective care and treatment programs.

Trainee positions.—The 20 additional unclassified intern and resident trainee positions deleted from the budget were requested to permit the hospital to increase its contributions to the Nation's reserve of trained professional personnel qualified in the psychiatric disciplines and to provide some additional "in-training" personnel to assist in furnishing better care and treatment for patients.

Visiting physician fees.—The initial budget included a request for an additional \$48,000 to correct an existing disparity between fees paid to visiting physicians (consultants in medical specialties) by St. Elizabeths Hospital and those paid by other Federal hospitals in the Washington area. This request was reduced to \$25,000.

Supplies and materials.—The budget submission for 1963 included a request for an additional \$536,000 to provide for general improvement in the hospital's supply and material programs. The request was reduced to \$468,000. The allowance reflects adjustments made for decreases in projected patient loads and a reduction in the proposed patients' food ration allowance from \$0.894 to \$0.885 a day.

Travel funds.—The \$3,000 reduction in travel funds would have made available an additional amount required for expansion of the hospital's employee training program and for greater participation of staff members in meetings of professional groups on matters associated with mental health activities.

Buildings and facilities

Air-conditioning of the geriatric building-----	\$750,000
Rewiring and extension of electrical facilities-----	100,000
Hospital site study-----	20,000
Program statement for training and research center-----	50,000
Construction and equipment of continued treatment building (rehabilitation center)-----	170,000
Total reductions and deletions-----	1,090,000

Air conditioning of the geriatric building.—An amount of \$750,000 was included in the hospital's initial budget request for air conditioning the geriatric building, a 500-bed treatment facility housing aged and infirm patients aged 64 and over. Patients in this building for the most part are confined to bed or wheelchairs and heat exhaustion is a serious problem. The hospital, therefore, requested funds in 1963 to air-condition this building as a means of improving the general health and welfare of these patients.

Rewiring and extension of electrical facilities.—An amount of \$150,000 was included in the initial request for continuation of the hospital's program of replacement, extension, and modernization of basic electrical facilities. This is a continuing project which has been underway for some years and will continue in active status until inadequacies in the electrical system are corrected throughout the hospital. The \$150,000 was reduced to \$50,000 under the 1963 Budget Bureau allowances.

Hospital site study.—The hospital's 1963 request to the Bureau of the Budget included \$20,000 to finance the undertaking of a comprehensive architectural survey of the hospital site and property for the purpose of developing an up-to-date master plan or program for future construction, alterations, and facility improvement projects. The hospital proposed to use the site plan as the basis for budget requests for funds to keep the physical facilities of St. Elizabeths Hospital abreast of needs and developments in the mental health field.

Training and research centers.—An amount of \$50,000 was included in the initial budget request for the development of a comprehensive program statement for a training and research center to properly house and coordinate the diversified and expanded clinical training and research activities of St. Elizabeths Hospital.

Continued treatment building (rehabilitation center).—An amount of \$6,905,000 was initially requested for construction and equipment of a new patients treatment building (rehabilitation center), planning for which is currently underway with funds previously appropriated for the purpose. Adjustments in planning made subsequent to submission of the 1963 budget request to the Bureau of the Budget resulted in a decrease of \$170,000 in the estimated construction cost of this project. The 1963 request was therefore reduced to \$6,735,000.

TUESDAY, FEBRUARY 27, 1962.

SOCIAL SECURITY ADMINISTRATION

WITNESSES

WILLIAM L. MITCHELL, COMMISSIONER, SOCIAL SECURITY ADMINISTRATION

JOSEPH H. MEYERS, DEPUTY COMMISSIONER, SOCIAL SECURITY ADMINISTRATION

ROY L. WYNKOOP, ADMINISTRATIVE OFFICER, SOCIAL SECURITY ADMINISTRATION

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

GENERAL STATEMENT

Mr. FOGARTY. The meeting will come to order.

We have this morning the Social Security Administration.

Mr. Mitchell, do you have a statement for the committee?

Mr. MITCHELL. Mr. Chairman, I have a rather lengthy formal statement which, with your permission, I will submit for the record.

Mr. FOGARTY. All right.

(The complete statement of Commissioner Mitchell follows:)

My name is William L. Mitchell. As Commissioner of Social Security, I welcome the opportunity of appearing before you in connection with your consideration of estimates for the programs of the Social Security Administration.

This Administration, the "welfare" part of the Department of Health, Education, and Welfare, consists of four operating bureaus which are responsible for the efficient administration of the old-age, survivors, and disability insurance program; the Federal-State public assistance and service programs for the needy; the children's programs under the grants for maternal and child health and related services; and the supervision of federally chartered credit unions.

The Commissioner's other responsibilities include supervision of the Office of Hearings and Appeals which makes administrative decisions on disputed old-age, survivors, and disability insurance claims; direction of the Division of the Actuary, the research activities in the Office of the Commissioner, including supervision of the program of cooperative research or demonstration projects in social security, and the foreign currency research and training programs.

The Commissioner also has the responsibility of directing and coordinating the program of Federal aid to Cuban refugees. This includes financial assistance, education and vocational training, and resettlement of refugees from Castro's Cuba. This program is being temporarily financed by the President's contingency fund, Agency for International Development, pending the enactment of specific legislation.

In addition, the Commissioner supervises activities assigned to the Social Security Administration by the State Department in the international area and by the Defense Department in the civil defense area. He also serves as Secretary to the board of trustees of the old-age, survivors, and disability insurance trust funds and as Chairman of the Advisory Council on Social Security Financing which has been given responsibility by the Congress for reviewing the status of the two funds in relation to the long-term commitments of the old-age, survivors, and disability insurance programs. The Advisory Council to be appointed in 1963 is to report on all aspects of the program which, in its judgment, warrant consideration.

At this time, I would like to make a few general comments in connection with the various programs of the Social Security Administration. The individual Bureau Directors will present details of the budget estimates for your consideration. I will, of course, be available for any questions which the committee might have during the course of the hearings.

AREAS OF PROGRAM EMPHASIS

Changes in program emphasis through administrative action

During the past year the top staff of the Department, under the direction of the Secretary, has given the highest priority to a thorough-going reappraisal of our welfare programs, with two major objectives—

- the development of more constructive approaches to get people off of assistance and back into productive roles in society; and
- the correction of whatever abuses have crept into the programs.

Ten administrative measures announced in December 1961 include provisions for promoting rehabilitative services and for developing a family-centered approach to meeting the needs of our people. Other measures give children more adequate protection, support, and opportunity to develop into responsible adults.

Half of the administrative measures concern the aid to dependent children program which recently has become the largest of the Federal-State assistance programs in terms of recipients, serving 3½ million children and adult caretakers.

The name of the Bureau of Public Assistance has been changed to the Bureau of Family Services and within that Bureau we have constituted a Division of Welfare Services. A new position of Assistant Commissioner of Social Security was created to assure the maximum benefits for children by coordinating the welfare activities of the Bureau of Family Services and the Children's Bureau.

Late in January 1962, the Secretary announced six other specific areas in which the Department intends to devote special attention in the days ahead: (1) The elimination of unnecessary paperwork by caseworkers so that more time will be available to service clients; (2) initiating more effective services for children and youth; (3) the intensification of our efforts to combat illegitimacy; (4) increase emphasis on research and demonstration to reduce dependency; (5) strengthen vocational rehabilitation services for disabled recipients of public assistance; and (6) consider ways to train more social workers for public welfare work. In implementing these areas, we will work closely with State and local public welfare agencies and specially selected task forces and advisory groups.

Legislative programs

Those desirable objectives in the field of welfare which cannot be fulfilled by administrative action form the basis of our legislative program. Proposed legislation, designated as the Public Welfare Amendments of 1962, carry out President Kennedy's recommendations to provide a new welfare program "stressing services instead of support, rehabilitation instead of relief, and training for useful work instead of prolonged dependency." The proposed welfare amendments embrace a wide variety of improvements designed to strengthen family life, increase the Nation's productivity, and to assure a more equitable basis of child care and development. They will bring about a closer integration of State and Federal programs and make use of specific incentives for improving health and social services to the sick, the needy, and the underprivileged.

The bill would provide for Federal participation in payments made to needy persons for work done under community work and training programs. These programs would have to operate under plans designed to protect the welfare of the worker and his family and to afford him maximum training opportunities. For a limited number of recipients of public assistance who have demonstrated that they are unable to handle money, provision for the use of another person to receive and plan the use of the assistance payment would be authorized under appropriate conditions.

Legislation has also been recommended to the Congress for health insurance for the aged under the social security and railroad retirement systems. The bill provides for payment of costs of inpatient hospital services, of subsequent skilled nursing home care, of certain home health services, and of outpatient hospital diagnostic services. The bill would make it possible for people to provide during their working years for their health needs in old age as they do for their income in old age.

Finally, a legislative proposal authorizing grants and contracts for research relating to maternal and child health and crippled children's services has been recommended to the Congress. The purpose of this latter proposed legislation is to enable the Children's Bureau to carry out more adequately its responsibilities in child health research.

If you have any questions regarding the legislative program, I shall be glad to respond. Otherwise, I shall proceed to discuss the trends with respect to our major programs.

PROGRAM TRENDS

Old-age, survivors, and disability insurance

The combined effect of the 1960 and 1961 amendments to the Social Security Act has been a sharp increase in the number of persons receiving monthly benefits under the old-age, survivors, and disability insurance program. By the end of fiscal year 1963, we expect to be paying monthly benefits to 18.7 million persons compared with 14.2 million in June 1960 shortly before enactment of the 1960 amendments.

It is estimated that \$14.6 billion in benefits will be paid in fiscal year 1963. Administrative costs of the program continue to be a small percentage of benefits; the estimated percentage in fiscal year 1963 is 2.2 percent, including the cost of the work to be performed by the Treasury Department.

Workloads of the Bureau of Old-Age and Survivors Insurance are expected to increase by 24 percent in 1962 over 1961, due in large measure to the 1961 amendments. The major provision of these amendments from a workload standpoint is the reduction of the eligibility age for old-age insurance benefits for men from age 65 to age 62, at an actuarially reduced benefit amount. During the first 6 months of fiscal year 1962, 362,000 claims were filed by men in this age group and their dependents; 288,000 more are expected in the last 6 months.

Under the existing program, measurable workloads in the Bureau of Old-Age and Survivors Insurance in fiscal year 1963 are estimated to be at about the same level as 1962. The Bureau plans to continue in 1963 many measures which have been initiated to improve the effectiveness of its administration of the program and its service to the public. By the end of fiscal year 1962, all Bureau offices throughout the country will be linked together by a wire communications network which will permit the expeditious flow of claims data among offices and provide a medium for comprehensive application of integrated data processing methods in claims and benefit payment operations. Further attention will also be given to improving the documentation of evidence for disability claims, and our procedures for handling these claims.

In the summer of 1962 we plan to move a large part of our staff still located in downtown Baltimore to the annex to the Social Security Building. Specifications are being prepared for bids to construct an addition to this annex. The planned addition was authorized by a supplemental appropriation enacted in the last session of the Congress. With the completion of this construction, the building will accommodate all of the present Baltimore staff.

Public assistance

Both the 86th Congress and the 1st session of the 87th Congress have passed an unprecedented amount of new legislation affecting the public assistance titles.

The 1960 amendments established a new Federal-State program of medical assistance for aged persons and likewise increased Federal financial participation in State medical care for old-age assistance recipients.

The 1961 amendments increased the Federal contribution to four categories of public assistance. Also, Congress authorized a temporary program providing cash assistance to the children of unemployed parents; also, Congress provided payments for the foster family care of children receiving aid to dependent children under certain conditions.

The number of recipients of old-age assistance has declined from a high of 2,810,000 in 1950 to 2,273,000 in November 1961 despite a steady increase in our aged population. The rate per 1,000 of the population age 65 and over receiving assistance dropped from 226 in June 1950 to 134 in June 1961.

In the aid to dependent children program there has been an upward trend in recipients since 1953 due primarily to: (1) an increase in the number of children in the population; and (2) the rise in the number of families broken by divorce, separation, or desertion or headed by an unmarried mother. The rise in unemployment a year ago and the extension of aid under the aid to dependent children program to children of unemployed parents has also contributed to the increased number of recipients.

In the aid to the blind program the number of recipients has declined somewhat since 1958. The principal cause of the decline is the extension of cover-

age and increases in benefits under the old-age, survivors and disability insurance program.

In the aid to the permanently and totally disabled program the trend has been steadily upward since the beginning date in October 1950. Less than 10 percent of persons receiving aid to the permanently and totally disabled also receive old-age, survivors, and disability insurance benefits.

Under medical assistance for the aged, our new program, total expenditures amounting to \$15 million were made in November 1961 by 16 State on behalf of 71,700 persons. During the same month, vendor medical payments under the old-age assistance program were 9 percent over the amount expended in September 1960, the last month before the increased payments for this purpose were authorized by law.

Maternal and child welfare programs

The estimate for "Salaries and expenses," Children's Bureau, provides for expansion with particular emphasis on strengthening child welfare consulting services in the foster care area, the strengthening of research, and consultation services in child health.

The estimate for grants for maternal and child welfare provides for an increase of \$7,650,000. Of this, \$6,250,000 is an increase in grants for child welfare services, which brings the amount for this program up to the maximum authorization of \$25 million.

The 1963 estimate continues the previous year's \$25 million grants each for maternal and child health and crippled children's services. The grants estimate also provides for doubling the 1962 program level for grants for research or demonstration projects in child welfare.

Mrs. Oettinger, Chief of the Children's Bureau, will devote particular attention to items in which the committee has expressed a special interest when she presents her testimony. This will include such subjects as infant mortality, vision and hearing screening, activities with respect to mentally retarded children, congenital heart disease, and unwed mothers.

Chartering, supervision, and examination of Federal credit unions

Since the Bureau of Federal Credit Unions is self-sustaining through the collection of fees for chartering, supervising, and examining credit unions, there is no appropriation estimate in the President's budget.

Federal credit unions have enjoyed a steady growth. There are now 10,300 Federal credit unions with 6½ million members whose accumulated savings amount to about \$3 billion.

During calendar year 1961, 93 percent of operating Federal credit unions were examined by the Bureau of Federal Credit Unions.

Cuban refugee program

As I mentioned in the earlier part of my statement, the Department of Health, Education, and Welfare has also been given responsibility for administering a program of assistance to the many thousands of Cubans who are refugees from the Castro regime. It is estimated that there are now about 55,000 Cuban refugees in the Miami area and that between 1,500 and 2,000 new arrivals are coming in each week. The principal port of entry was, and is, Miami, Fla. The ever-mounting Cuban population in that city soon exceed the community's capacity to cope with it. Because of this, and because the problem was a national one, President Kennedy delegated to the Department responsibility for providing:

- (1) Financial assistance to meet basic maintenance requirements of needy Cuban refugees.

- (2) Financial assistance in meeting the cost of resettlement and the location of employment opportunities outside of the Miami area.

- (3) Care of unaccompanied children.

- (4) Health services, including medical screening, X-ray examinations, emergency outpatient medical care, and longtime hospitalization costs of persons with TB and mental disorders.

- (5) In addition, the program provides funds to meet a share of the extra expenses which the Miami schools have had to assume because of the large number of refugee children. Financial assistance is also provided for loans to students and for certain types of educational training required to enable the refugees to engage in employment in the United States. This includes the retraining of lawyers, doctors, and other professional persons.

Administration of the program has been delegated to the Commissioner of Social Security by the Secretary. However, full use is made by the Commissioner of the facilities of the Office of Education, the Public Health Service, and the Bureau of Employment Security of the Department of Labor. In addition, facilities of several private agencies, the Dade County Florida Board of Education, the Dade County Public Health Department, and State and local welfare agencies are being utilized.

For fiscal year 1961, an allocation of \$5 million to carry out the program was made from the President's contingency fund under the Mutual Security Act of 1954. For the first 8 months of fiscal year 1962, \$22 million has been allocated from the President's contingency fund under the Act of International Development of 1961 (part I of the Foreign Assistance Act of 1961). Further allocations from this fund will be requested until funds are authorized specifically and appropriated for the program.

Mr. MITCHELL. And I will make a very brief statement, just touching the highlights of our situation.

Mr. FOGARTY. Go right ahead.

Mr. MITCHELL. This is not necessary for you, but, for the record, the Social Security Administration is the welfare arm of the Health, Education, and Welfare Department and we are responsible for the direction, supervision, and development of the programs of old-age and survivors' and disability insurance and the assistance programs administered by the Bureau of Family Services, the Children's Bureau, and the Bureau of Federal Credit Unions.

It has seemed to me that just about every year since the first Roosevelt administration has been our busiest year, and, viewed from the worm's-eye view of the bureaucrat, we kind of live from one crisis to another. The changes in world events, and in our society, and their impact on programs of welfare and maintenance of income has confronted us with the necessity for change continuously.

Always there has been the anticipation that the next year would be easier and our staff would be adequate to deal with the situation as it arose, but we always seemed to find ourselves in that year pressed for the time and the personnel to do all that was necessary.

In this past year, the development of the present welfare bill and the administrative changes that were directed by the Secretary have presented us with very special problems and very considerable burdens. But there has been rather considerable satisfaction also in dealing with them because I think we have moved toward a reorientation and redirection of welfare that, in the long run, will produce many good results for the people of this country.

CUBAN REFUGEE PROBLEM

In addition to these matters that are regularly related to the responsibilities that we have under the statute, our problems in the past year were further complicated by the introduction of the Cuban refugee program, which has become a rather substantial activity.

I think that, by the end of this year, we will have expended some \$35 million or \$36 million under the program, and many more thousands of refugees are arriving in Dade County. Approximately 20,000 have been settled all over the United States.

And, incidentally, that program bids fair to continue in its presentation of problems that will have to be worked out from time to time.

All of this has been going on while we have been processing regular workloads in the established programs that I think progressively have set records from year to year.

In addition, I am sure that each of the program bureaus when they appear before you will have interesting special stories to tell in their particular areas.

ELECTRONIC DATA PROCESSING

For instance, one of the most significant things that OASI is doing, is the introduction of electronics to the claims handling and payment process. It seems like that program is expanding to the point where, if it had not been for the development of electronics in the field, it is seriously questionable whether the program really could be administered.

But as it is our anticipation of larger needs and the development of electronic and other types of equipment that has made administration both possible and efficient.

ADDITIONAL RESPONSIBILITIES

In the assistance and family services field, the implementation in the past year of a medical care program, the extended ADC, and foster care, has made for a considerably additional complicated workload. But on the whole I would say that that program has gone very well.

The Children's Bureau, as you may know, has brought into the family service program even to a much greater extent than has been the situation in the past by virtue of the demands of the extended ADC program and the introduction of foster care into that program.

I think we have made very considerable strides in the more effective and coordinated use of all of the welfare services not only in this field but in the fields of juvenile delinquency, mental retardation, and other programs for which we have special responsibilities.

CREDIT UNIONS

In the credit unions, I think what we have now broken through—the \$3 billion mark in assets. That Bureau, of course, does not appear before this committee because there is no appropriation requested; they are self supporting. Nevertheless, failure to make specific reference to it would be doing them a disservice, because I feel that the credit unions are making a very substantial contribution to the welfare of people in this country, particularly underprivileged people.

We now have 10,300, as I recall the number, chartered Federal credit unions in addition to almost an equal number of State-chartered credit unions. The Federal credit unions are serving some 6½ million members.

Demands on them for credit, the evidences of its promotion of thrift, I think are extremely heartening, and the extent to which they curtailed demands that poor people have to make on usurious money lenders is really a source of very considerable satisfaction.

RESEARCH PROGRAM REVIEW

One other thing I would like to mention briefly that has happened in the past year is this: It seemed to me, after 25 years, that we needed a comprehensive review of our research program. As you know, we do interprogram research at the Commissioner's level. We do detailed program research at each of the program bureaus. And it seemed desirable that we, using distinguished outside people, should make a review of the effectiveness of our research program, its organization, and what it should be doing in the future.

When we come to the office of the Commissioner, I would like to make some further statement with respect to the job that this distinguished group did and the recommendations that they made, which we partially implemented in our proposals before the committee.

WELFARE AND HEALTH INSURANCE

Our present year has been, to a large extent, an extension of the last, with large legislative activity in the fields of welfare and health insurance.

I understand that the President is sending up the health message today, which will make further and emphatic reference to the needs in this country for a health insurance program related to the OASI.

There has been a real job in implementing the 16 administrative items that the Secretary has directed should constitute changes in the orientation of the welfare program.

And next year, I think we can look forward to continuing responsibilities in this area.

As this committee knows, I am sure, there is an administration welfare bill presently before the Ways and Means Committee in connection with which there may be executive sessions tomorrow. If so, there will be, I would say, the prospect of fairly early enactment of some sort of welfare legislation which, again, would place before us the necessity of implementation of a fairly extensive piece of legislation.

And, of course, if we have health insurance, we will be confronted with all of the problems entailed in that.

I think also it should be mentioned that next year, and possibly even this year, there will be named the statutory advisory council in the social insurance field that will give extensive review to the whole OASI program with a view to determining whether or not it is effectively and fully responsive to the needs of the American people for maintenance of income help.

They will make their report a year hence as a basis for congressional consideration of any necessary changes in that program.

INTERNATIONAL ACTIVITY

One other brief thing I would like to mention in identifying highlights is the continuing growth of international activity which I presume is a reflection of the continuing extended involvement of the whole country in international activities.

This has meant—and I think very properly so—that the United States should be concerned about the welfare and the well-being of

people, as well as military and economic objectives, as we attempt to aid the depressed locations of the world. This has meant for us a continuing stream of foreign visitors, who have needed help in their desire to observe operations in this country and to be placed in social work and other types of schools. We have done an extensive job of recruiting people to provide technical consultative services to many countries of the world who have requested that type of service, both through the AID program of the State Department and through the United Nations.

I think that about covers the brief overall statement that I wanted to make. I think the committee will find, on its investigation, that our requests in the budget this year represent—well, minimal needs, and as each program chief appears before you, we will try to present the facts in support of the estimates, and otherwise give an account of our stewardship.

Mr. FOGARTY. Thank you, Mr. Mitchell.

ADMINISTRATIVE CHANGES IN PUBLIC WELFARE

Now, what administrative changes has the Secretary made?

Mr. MITCHELL. You mean in connection with the welfare program?

Mr. FOGARTY. Yes.

Mr. MITCHELL. He put rather considerable emphasis on the welfare program.

All of these changes, the administrative as well as the legislative, have been directed toward the elimination—

Mr. FOGARTY. Let us talk about the administrative changes, because we do not know what the legislative changes are going to be.

Mr. MITCHELL. Yes, sir.

They have been directed toward the elimination or control of abuses or alleged abuses in the program, and have been designed to redirect the emphasis formerly placed on the maintenance of income; that is, the payment of cash, to preventive and rehabilitative services. That has been specifically reflected in the direction to the States that more effective methods should be developed and better organization established in the States for locating deserting parents, more effective administration, and greater control and followup for the identification and dealing with fraud and payments to ineligible recipients.

In that respect, I think that publicity has suggested to the American people that there is more of that than there really is. But nevertheless, if there is any, it needs control.

Mr. FOGARTY. Well, you have to depend on the States, then, to conform.

Mr. MITCHELL. Yes.

CHANGES MADE AT WASHINGTON LEVEL

Mr. FOGARTY. What has the Secretary done in the past year to tighten up control at the Washington level?

Mr. MITCHELL. Administratively within the Department, the Secretary directed, and there has been established, the position of Assistant Commissioner of Social Security, whose responsibility it will be to assure the effective coordination of all of our welfare functions; that

is, the Children's Bureau and the Bureau of Family Services, to assure the most effective use of all the resources that we have.

Mr. FOGARTY. Does that save you any money?

Mr. MITCHELL. Well, of course we do not even have a permanent person in the position yet. We have by temporary designation the regional director in Chicago who is doing a study of the potentialities for effective action in that respect. The job really has not been going long enough to give any real evidence of its possible accomplishments.

The name of the Bureau of Public Assistance was changed to the Bureau of Family Services, I would say, as a more adequate reflection of the kind of job it was supposed to do. And within it, there was established a Division of Welfare Services designed to provide professional backing to the accomplishment of these other things that I was in the process of mentioning.

I think those constitute the major administrative steps taken.

ADOPTION OF ADMINISTRATION CHANGES BY STATES

Mr. FOGARTY. How are you going to get the States to carry out these proposed changes?

Mr. MITCHELL. Well, a combination of two things: Some of these things that are done are requirements; that is, if you want to participate in the Federal programs and get the Federal matching money, you must do the things that are provided for.

Mr. FOGARTY. What changes does that apply to?

Mr. MITCHELL. The establishment of a mechanism for following up on deserting parents, the establishment of a mechanism or personnel to look into possibilities of fraud.

DESERTING PARENTS

Mr. FOGARTY. Give an example of what they are required to do to take part in this program with regard to following up the cases of deserting parents.

Mr. MITCHELL. I think a good illustration would be that, within about 6 months, a State must have identified certain types of cases, like unsuitable home cases, deserting parent cases, and so on, in which there must be special services provided to rehabilitate those families. And it will be required that—

Mr. FOGARTY. Let us just take the deserting parent. What do you require the State to do about a deserting parent?

Mr. MITCHELL. Speaking generally—of course, some States do a very good job in these fields, and they would not have to do much—if anything—more; but speaking generally, they would have to be more effective in going out and seeking deserting fathers, bringing them to book, making them bear their responsibilities to their families, undertaking to reunite, if it is possible socially, those deserting fathers with their families, and thereafter requiring them to accept their responsibilities.

Mr. FOGARTY. How about the father that leaves the State? What is the procedure with respect to the two States in a case like that?

Mr. MITCHELL. It is supposed to go out and cooperate with the other States in a case like that in bringing these people to book. As you know, almost every State now participates in an interstate ar-

rangement of reciprocal assistance in the identification and followup of deserting fathers to make them accept their responsibilities for their families. This would be a greater intensification of that effort with an organizational unit and personnel specifically related to the performance of that job.

Mr. FOGARTY. You do not have the personnel to do a really good job there, do you?

Mr. MITCHELL. That, of course, is up to the States. There is no limitation on the assistance that the Federal Government will give to the States as they expand their personnel to deal with this or any other subject. We pay 50 percent of the administrative costs.

Mr. FOGARTY. It is not a very good record, is it?

Mr. MITCHELL. It is very difficult to speak in general terms. Some States are doing a very effective and extensive job.

Mr. FOGARTY. What is the best State? Is there a good State?

Mr. MITCHELL. I would suggest, Mr. Chairman, that on a detail like that, that the Bureau people would be in a better position to answer.

Mr. FOGARTY. Do you think there is a State doing a really good job?

Mr. MITCHELL. Well, not a State probably doing as perfect a job as can be done, but certainly there are some States that are doing good jobs.

The State of New York is doing a very good job professionally in the services that are rendered to individuals—the identification, the followup, the possibilities of fraud, and that sort of thing. I think they do a rather good job.

Mr. FOGARTY. Are they doing a good job with the problem of deserting parents?

Mr. MITCHELL. Well, I suppose a good job would be determined by the extent to which they are cutting down on desertions.

TRAINING SOCIAL WORKERS

Mr. FOGARTY. I think all these suggested changes are good, but I do not know how you are going to accomplish them.

In my own State, they do not have the personnel to do this work. I spoke to a group of social workers there last night, professional social workers, and they are doing a wonderful job; but we just do not have enough personnel. And my State has never provided the matching funds for training or hiring enough qualified workers.

I think they should, but they have not.

Mr. MITCHELL. Well, in these special problem areas, you know the welfare bill will provide 75 percent matching, and there will be money available for assistance and training.

Mr. FOGARTY. That does not guarantee the States are going to put up the 25 percent, does it?

Mr. MITCHELL. No, sir; there is no guarantee. But the continuing encouragement, I think, has produced some results over the years.

ECONOMIES EFFECTED BY ADMINISTRATIVE CHANGES

Mr. FOGARTY. Well, up to this point, what administrative suggestions have been put into effect that have saved any money?

Mr. MITCHELL. Oh, it is too early. You see, the announcement of these requirements was made about the 1st of January, and it has only been 7 or 8 weeks since that time. But the States were brought in, as you know; they reacted very favorably to these proposals, indicated cooperation to the extent that they could.

I would have to say honestly that they did view with considerable concern the possibility of getting the necessary funds from their State legislatures to implement some of these things. And there will be difficulties, there is no question about that.

But I believe that this constitutes a definite step in the right direction, and that these requirements——

Mr. FOGARTY. I agree with you. I think it is a step in the right direction. But I am not so sure as you are that we are going to accomplish all that has been said.

Mr. LAIRD. Mr. Chairman?

Mr. FOGARTY. Yes.

RELUCTANCE OF STATES TO FUND IMPROVED PROGRAM

Mr. LAIRD. Why do you have so much trouble getting money appropriated for these things by State legislatures? Are these programs not supported in the States?

Mr. MITCHELL. Well, that is a difficult thing to answer. But you know this welfare field has always been kind of a strange one. I think a great many people regard welfare activity as essentially charity, and they still think in terms of Lady Bountiful, that you should not pay to do charitable welfare work, that it should be done by volunteers and well-disposed citizens.

Likewise, I think that there is a very conservative, even reactionary, feeling in a great many of the States about the extent to which trained social workers can contribute to the problem. And I think that the public image of the social worker, and social work, is not as good as it should be. The profession knows about this. They have undertaken many things to try to change it, but the progress has been awfully slow.

Mr. LAIRD. These States, though, are in better financial position than the Federal Government is. Here we are operating with a deficit of about \$8 billion this year, and it looks next year like about \$4 billion. And I cannot find any State that is in that bad a shape. I cannot understand why these revisions or expansions cannot be funded on at least a 50-percent basis by the States.

Mr. MITCHELL. Well, it is a matter of interpretation, I suppose. The States, I do not think, particularly compare their financial status with that of the Federal Government and make a determination as to who is better equipped financially to deal with the problem. They look at their own situation and practically all of them are confronted with very serious financial problems, and they have very hard choices to make as between the demands of education, roads, and all of the other things. And in that type of competition, welfare just has a very hard time.

Mr. LAIRD. Thank you.

NEGATIVE CONNOTATION OF PUBLIC ASSISTANCE

Mr. FOGARTY. What was the main reason for changing "public assistance" to "family services"?

Mr. MITCHELL. The name "public assistance" has taken on, again, a public connotation that is not good, and that I think has militated against public understanding; furthermore these programs are really designed to strengthen and preserve family life, to enable families to stay together, or to pull families together that have been separated. It was felt that the title would be much more descriptive and much more acceptable to the public.

RELATIONSHIP OF EXPANDED SOCIAL SECURITY TO PUBLIC ASSISTANCE

Mr. FOGARTY. Over the years every time we have talked about social security, we have been led to believe that public assistance payments would go down as more people were covered and benefits were increased in the social security area. But that has not been the case, has it?

Mr. MITCHELL. Well, first let me say that I have looked up the archives, and I do not think that any of the proponents of social security ever contended that public assistance would drop out by virtue of the expansion and development of the social insurances, but it would decline.

Now, there is a—

Mr. FOGARTY. I said it would go down. You said it would decline. I was wondering what the difference is.

Mr. MITCHELL. Oh, no difference that I know of. The number of old-age recipients does decline every year as a reflection of the expansion of the OASI rolls, even in the face of a substantially increasing aged population.

In the children's area—I should interpolate there that the money goes up; but the money, of course, is a reflection of the price levels and apparent disposition on the part of this country to deal with need on a somewhat more liberal basis.

Mr. FOGARTY. Public assistance has increased in the last 10 or 12 years from \$1 billion up to \$2.5 billion, or 150 percent, or over \$100 million a year. Are those figures about right?

Mr. MITCHELL. Yes, sir; that sounds about right.

But there should be given in connection with them the relative increase in the population and the relative decrease in the purchasing power of the dollar. When you do that, then in absolute terms, the increase has not been so large.

Mr. FOGARTY. Of course it is attributable to the increase in the population and the increase in the cost of living; is that not about what you said?

Mr. MITCHELL. That is right.

Mr. FOGARTY. But the facts are it has been going up at the rate of \$100 million a year.

Mr. WYNKOOP. Mr. Fogarty, if I might just make one point here. In 1940 we had an aged population of 9 million; in 1961 it will be about 17 million, which is an increase of almost 100 percent.

Mr. FOGARTY. What age?

Mr. WYNKOOP. It is persons aged 65 and over.

Mr. FOGARTY. What will it be in 1970, 1980, and 1990?

Mr. WYNKOOP. I cannot give you that. We will do that for the record, if you like.

Mr. FOGARTY. All right.

(The information referred to follows:)

It is estimated that the number of persons aged 65 and over will be 20 million by 1970, 25.3 million by 1980, and 30.5 million by 1990.

Mr. WYNKOOP. But during the same period, from 1940 to 1961, the old-age assistance rolls have only gone up about 11 percent; so we really had virtually a 100 percent increase in the aged population with an increase of only 11 percent in public assistance recipients.

CHILDREN'S BUREAU

Mr. FOGARTY. How is the Children's Bureau doing? We tried to build up that Bureau a little last year.

Mr. MITCHELL. Yes, sir, I think the Children's Bureau is doing a progressively better job in meeting the needs of children; representing children's interests. Certain fields have been emphasized, such as the field of juvenile delinquency and the field of mental retardation, and I think very substantial progress has been made in another area in which I think you have a rather considerable interest and that is the black market in babies.

PROBLEM OF ILLEGITIMACY

The progress in illegitimacy, which is not expressly the responsibility of the Children's Bureau, but they have a very strong interest in it, still constitutes a very serious problem in the United States.

Mr. FOGARTY. That is another one we brought up last year. That was the problem of unwed mothers.

Mr. MITCHELL. Illegitimates, yes.

Mr. FOGARTY. What are we doing? Have we made any progress this year; have we come up with anything new?

I had in mind last year a home we have in Rhode Island, and if we had a "Half way House" something like that, many of these younger girls could be rehabilitated if we had the proper place and the proper personnel to work with them.

I still feel the same way.

Is there any way we can develop a program along that line?

Mr. MITCHELL. Well, the present administrative points and the welfare bill have certain things in them that are designed to aid in this situation. They are more by way of reducing the caseloads of the needy who have such difficulty, and provide the social and other types of services that are presumed to be helpful in dealing with the situation.

There has been developed a great deal of factual information on this subject which I think gives a basis for doing good work. Here and there, there have been really spectacular accomplishments in individual locations. Information has been developed about techniques, about what is done and how the money is spent. That information is being proliferated and, I feel, used rather consistently throughout the country.

But illegitimacy, which has been with us for thousands of years—I do not suppose it is ever going to be obliterated—but certainly some of the services in an enlightened democracy can do something to cut it down.

MR. FOGARTY. Maybe it is because publicity has been given to it, or maybe people are taking more interest in it. It seems to me I have heard more about it in recent years.

MR. MITCHELL. It seems to me there is too much tendency to equate illegitimacy with the granting of assistance or aid to children. A very small proportion of the total public assistance ADC money goes to unmarried mothers and illegitimate children, and it is nothing more than a reflection of what is taking place in the whole society. I think that what is taking place in the society is the result of weakening of family ties, and it is having its reflection on this type of problem.

STUDY OF NORMAL CHILDREN

MR. FOGARTY. In making all these studies that you just mentioned in regard to dependent children and juvenile delinquency and deserting fathers, and so forth, has any study ever been made of the normal child that grows up and does not get into trouble, but leads a good life; a study of what sort of parents that child came from and what environment that child has been in?

MR. MITCHELL. Some, but not enough.

MR. FOGARTY. No one seems to talk about the normal children.

MR. MITCHELL. Yes.

Well, in the research on child life grant program, the Children's Bureau does propose to try to encourage some projects in that field. Also, this advisory committee on research that I referred to earlier touched upon that. And we would certainly plan—we are not doing it now—we would certainly plan to look into the normal situation, as well as the abnormal situation.

MR. FOGARTY. You might find more by that than by going the other way.

MR. MITCHELL. Entirely possible; even probable.

MR. FOGARTY. There are a lot more normal children than abnormal children.

MR. MITCHELL. Very true.

MR. WYNKOOP. Mr. Fogarty, in connection with the study that Mr. Mitchell mentioned, we have a paper here that the Children's Bureau prepared, and they have 16 illustrations of how the increased funds that were made available last year for child welfare services have been used to augment the services for unwed mothers.

MR. FOGARTY. Mr. Laird?

MR. LAIRD. I do not think I will ask any questions in the general area here.

MR. FOGARTY. All right; is there anything else you want to say before we start with Mr. Christgau?

MR. MITCHELL. No, sir. I just plan to stick around and participate. Thank you very much.

BUREAU OF OLD-AGE AND SURVIVORS' INSURANCE

TUESDAY, FEBRUARY 27, 1962.

WITNESSES

VICTOR CHRISTGAU, DIRECTOR, BUREAU OF OLD-AGE AND SURVIVORS' INSURANCE

ROBERT M. BALL, DEPUTY DIRECTOR

J. S. FUTTERMAN, EXECUTIVE ASSISTANT

ROY E. TOUCHET, ASSISTANT DIRECTOR

HENRY A. CROOKS, CHIEF, FINANCIAL MANAGEMENT BRANCH

MRS. MILDRED L. TYSSOWSKI, BUDGET OFFICER

WILLIAM L. MITCHELL, COMMISSIONER, SOCIAL SECURITY ADMINISTRATION

ROY L. WYNKOOP, ADMINISTRATIVE OFFICER, SOCIAL SECURITY ADMINISTRATION

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

LIMITATION ON SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	148,892	174,495	186,884
Positions other than permanent.....	919	572	573
Other personnel compensation.....	15,012	15,371	4,666
Total personnel compensation.....	164,823	190,439	192,123
12 Personnel benefits.....	11,463	13,206	14,056
21 Travel and transportation of persons.....	3,796	4,732	4,608
22 Transportation of things.....	940	1,035	1,024
23 Rent, communications, and utilities.....	18,146	22,418	24,091
24 Printing and reproduction.....	1,815	2,281	2,380
25 Other services.....	3,555	3,716	4,401
Advances to States.....	18,687	22,148	22,407
26 Supplies and materials.....	3,142	2,980	3,094
31 Equipment.....	2,536	2,839	2,144
32 Land and structures.....		370	66
42 Insurance claims and indemnities.....	6	7	7
Contingency reserve.....			15,000
Total obligations.....	228,909	266,170	285,400

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	31,517	34,147	35,845
Full-time equivalent of other positions.....	174	81	74
Average number of all employees.....	27,934	32,273	33,993
Number of employees at end of year.....	30,913	33,909	35,490
Average GS grade.....	5.7	5.9	6.0
Average GS salary.....	\$5,315	\$5,433	\$5,479
Average salary of ungraded positions.....	\$4,702	\$4,831	\$4,904

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Maintenance of earnings accounts.....	30,420	30,347	32,597
2. Processing OASI claims.....	76,548	101,324	92,915
3. Maintenance of OASI beneficiary rolls.....	35,776	40,789	47,457
4. Processing disability claims and maintaining beneficiary rolls.....	58,524	63,826	66,062
5. Hearings and appeals.....	4,242	6,457	6,942
6. Actuarial services.....	127	147	153
7. Administration.....	21,017	23,273	24,171
8. Contingency reserve.....			15,000
Total program costs.....	226,654	266,163	285,298
Change in selected resources ¹	2,255	7	102
Total obligations.....	228,909	266,170	285,400
Financing: Unobligated balance lapsing.....	3,291	1,400	
Limitation.....	232,200	267,570	285,400

¹ Selected resources as of June 30 are as follows:

	1960	1961 adjust- ments	1961	1962	1963
Stores.....	720		763	798	798
Unpaid undelivered orders.....	963	-358	1,086	1,031	941
Advances to State agencies.....	3,934		5,665	5,693	5,884
Total selected resources.....	5,617	-358	7,514	7,521	7,623

LIMITATION ON CONSTRUCTION, BUREAU OF OLD-AGE AND SURVIVORS' INSURANCE

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
21 Travel and transportation of persons.....	1		1
24 Printing and reproduction.....	5		12
25 Other services.....	75	215	167
31 Equipment.....	6	26	35
32 Lands and structures.....	4,126	658	3,447
Total obligations.....	4,213	899	3,662

Program and financing
[In thousands of dollars]

	Costs to this appropriation				Analysis of 1963 financing		
	To June 30, 1960	1961 actual	1962 estimate	1963 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropri- ation required, 1963
Program by activities:							
1. Land.....	278		150				
2. Design, supervision, etc.....	1,233	26	221		372	296	
3. Construction.....	24,366	1,282	3,581	2,015	3,451	1,436	
4. Furnishings and equipment.....	849	64	50	50	308	258	
Total program costs.....	26,787	1,372	4,001	2,141	4,131	1,990	
Change in selected resources ¹		2,841	-3,102	1,521			
Total obligations.....		4,213	899	3,662			
Financing:							
Unobligated balance brought forward.....		-5,180	-967	-4,068			
Unobligated balance carried forward.....		967	4,068	406			
Limitation.....			4,000				

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$370,000; 1961 adjustments, -\$46,000; 1961, \$3,165,000; 1962, \$63,000; 1963, \$1,554,000.

GENERAL STATEMENT

Mr. FOGARTY. Mr. Christgau, we will place your prepared statement in the record and you may proceed.
(The statement referred to follows:)

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND
SURVIVORS INSURANCE (TRUST FUND)

Mr. Chairman and members of the committee, it is a pleasure to meet with you again. For administrative expenses in fiscal year 1963 we are requesting authority to expend \$270,400,000 from the old-age and survivors insurance and disability insurance trust funds and a contingency reserve of \$15 million. As you know, this trust fund authorization does not enter into the determination of the balance of the general fund budget.

This request represents an increase of \$4,230,000 over estimated obligations for fiscal year 1962, and an increase of \$5 million in the contingency fund. The increase in the basic appropriation over the amount to be obligated in 1962 can be accounted for essentially by the cost of mandatory salary increases—within-grade promotions and promotions to journeyman positions of trainees hired this year—and a small increase in overall workload. The increase in staff requested is needed almost entirely to process on regular time a level of work which this year we had to do in part on overtime. In 1963 the staff that is reflected in this budget will, on the average be expected individually to produce about 8 percent more work than was done in the year just past, 1961.

It would be helpful we believe to review the background for this budget and where we stand today.

1961 AMENDMENTS

The 1961 Amendments to the Social Security Act required us, for the second year in succession, to prepare for and handle a great increase in the volume of our claims loads. These amendments gave men between the ages of 62 and 65 the option to obtain actuarially reduced benefits for themselves and their dependents. This option increases program flexibility and enables men in this age group, unemployed and unable to find work, to obtain immediate benefits to meet their needs. The amendments also liberalized the eligibility provisions, bringing the short term insured status requirements in line with the long term, by reducing the requirement from one quarter of coverage for every three quarters elapsing after 1950 to one quarter for every four elapsed. The 1961 amendments further improved the retirement test, or "work clause," by enabling beneficiaries to earn more and to retain more in earnings and benefits by increasing from \$1,200–\$1,500 to \$1,200–\$1,700 the range of earnings, where for each \$2 of earnings \$1 of benefits is lost. All these provisions are expected to increase receipts of OASI claims from workers, dependents and survivors in fiscal year 1962 by 33 percent, 955,000 more than the 2,865,000 level previously estimated.

Another provision of the 1961 amendments extended to June 30, 1962, the time limit for filing an application for disability insurance benefits permitting determinations of the date of onset of disability going back to the earliest date the individual first met the work requirements in the law. This deadline extension will add 22,000 disability claims to our workload.

The minimum benefit amount was raised from \$33 to \$40, and widow's benefits were increased by 10 percent. These changes affected about 3,260,000 beneficiaries. Checks for the increased amounts were mailed on schedule in September.

In fiscal year 1962 we expect to receive about 4.5 million OASI and disability claims—an all-time record high. By the end of this year it is estimated that we will be sending benefit checks every month to 17.5 million persons and 18.7 million by the end of fiscal year 1963 compared with 15.6 million at the end of 1961. In total, the 1961 amendments increased the Bureau's workload by some 13 percent over our estimates for the 1962 preamendment program.

IMPLEMENTATION OF THE 1961 AMENDMENTS

The impact of the sharply increased workloads arising from the 1961 amendments was felt immediately upon their enactment on June 30, 1961. In addition to this added amendment load, we were confronted with disability work greatly in excess of our original estimates. The 1960 amendment dropping the age 50

requirement brought in many more claims than we had anticipated. The estimate of the primary disability claims load—those requiring determinations of disability—which formed the basis of our request to Congress had been 397,000. As we entered fiscal year 1962 it was necessary to revise the estimate to 467,000. Combined with the amendment loads, increases in the disability area raised our estimated loads for fiscal year 1962 an aggregate of 19 percent.

The Congress authorized an increase of \$26,500,000 in our trust fund authorization in September to finance the amendment workloads. The additional requirements to handle the increased disability load were financed by apportionment of the \$10 million contingency fund by the Bureau of the Budget.

Heavy overtime was necessary from the beginning of the year to keep reasonably current on all our claims loads. As in fiscal year 1961 and other past periods of sharp load increases growing out of amendments it has been necessary to rely on overtime to a considerable extent, first because it takes time to recruit and train additional staff, and second because prudent management dictates that our staffing be held to a level consistent with our needs in succeeding years. Notwithstanding an increase in staff from 30,900 last fiscal year to 33,900 this year, which has been largely accomplished, our 1962 operating budget provides for overtime costing about \$15 million to make up the manpower needed to handle the expected workloads. Of this amount, almost \$8 million had been used by midyear.

CLAIMS PROCESSING OBJECTIVES

The very high workload receipts stemming from the 1960 amendments in the last half of fiscal year 1961 exceeded our capacity to handle them currently. The resultant increases in the pending loads had the effect of increasing the elapsed time for processing claims from the more desirable levels we had achieved to highs for the fiscal year of an average (median) 36 days for OASI claims and 115 days for disability claims. Since that time the Bureau has been able to bring average disability claims processing time down to 101 days and OASI claims down to 34 days.

For about half the disability claims, those in which the individual submits sufficient evidence for a determination and which do not require additional development by State agencies, the current processing time is 69 days. Of this group of cases, about 10 percent are completed in a little over 1 month, over one-third within 2 months. Looking only at the time required after handling in the district office—the point at which the applicant has submitted his evidence—the average time for processing those cases which do not require additional evidence is less than 1 month.

With the heavy influx of claims expected during the current quarter, which historically has been the quarter in which we have received our highest claims workloads, processing times will almost inevitably increase, since our budget and our staffing—and our capacity to handle claims—are related to the average workload level during the year and not to the very high level of claims receipts in the peak quarter.

We have, however, over the years developed ways of maximizing our claims output during the seasonal peak periods—by the planned use of overtime, by deferring lower priority work, by careful advance scheduling of other work, by timing the recruitment and training of new staff so that by January of each year we have the maximum number of trained staff available. We look forward therefore to soon achieving a balance between receipts and completions, then cutting into our pending loads. We expect not only to make good progress in processing times but also to maintain the high quality of our service to the public and of our overall operations.

INTEGRATED DATA PROCESSING

The vast recordkeeping job of maintaining lifetime earnings records for all the Nation's workers covered under the program was made possible and was done efficiently, economically and accurately because the Bureau employed from the beginning the equipment and systems capable of doing the job best. In the thirties and the forties the Bureau pioneered in the use and the development of tabulating card equipment and systems and in the use of microfilm. In the midfifties the Bureau was among the first of the very large paper processing operations to successfully convert its earnings records operations to electronic data processing. This important segment of the Bureau's total operations has benefited greatly from the use of advanced equipment. Today, that work, which

has grown very much in size, is done more efficiently and economically with a staff only a little larger than we have needed over the years. We are now moving ahead to apply the latest equipment and systems design to the somewhat more difficult area of claims processing and benefit payments.

In fiscal year 1961, we initiated a long-range program which has as its goal a claims system in which all Bureau action centers will be linked by a wire transmission system, and electronic data processing equipment will be used for doing a large part of the "paperwork" involved in the recording of claimant and beneficiary data and for processing payments and beneficiary adjustment actions. Under this system claims and benefit operations will be reengineered on the principle of recording information, judgment actions, and decisions in machine language at the earliest possible point in the process, so that they can be transmitted automatically from place to place and translated electronically into award notices, benefit checks, benefit roll adjustments, or whatever action is called for. This will accomplish a major reduction in manual paperwork and improve the accuracy of the process. It will also help us speed up our claims actions and improve our service.

During fiscal year 1961, electronic computers were installed in our Philadelphia, Birmingham, Kansas City, and Chicago Payment Centers. The San Francisco and New York Payment Centers, which are serviced by the computers in the Kansas City and Philadelphia offices respectively, received less costly supporting equipment. A high-speed data transmission system between San Francisco and Kansas City was also placed in operation, so that both payment centers can be served by the large computer in Kansas City. The primary effort during 1961 was the preparation of a basic record tape of beneficiary information, an essential first step to all later action.

By the end of fiscal year 1962, a wire communications network linking all action centers of the Bureau will be completed. As the district offices of the Bureau are hooked into this network, immediate use is being made of the wire to request earnings data from our earnings record center in Baltimore when a claim is filed. The records center now wires back some data to the district offices to assist in the early development of the claim. During fiscal year 1963, we expect to further develop our capability of sending data back to the district offices by wire, thereby reducing clerical work in the district offices and speeding up the adjudication of the claim.

In 1963, the computers in the payment centers and the wire communications network will be used for processing quickly and accurately the more simple changes to the beneficiary rolls such as changes of address, termination of benefits and suspensions. Annual reports of earnings from beneficiaries will also be processed on the computers. The more rapid up-dating of beneficiary information in our records will materially improve our service to beneficiaries under the program.

NEW BUILDING

The annex to the Social Security Building in Baltimore County will be ready for occupancy this summer and we will be able to move to Woodlawn a large part of the central staff engaged in disability operations. We expect that the physical bringing together of the disability operation from several scattered points into one location will make it possible to handle central disability work somewhat faster.

With the added work and related staff needs resulting from the 1961 amendments together with the higher than budgeted disability workloads stemming from the 1960 amendments, it was apparent last summer that the Social Security Building, including this annex, would fall short of housing the entire Baltimore staff. We therefore requested a supplemental appropriation for construction of an addition to the annex. The Congress approved \$4 million for this purpose, bringing the total construction appropriation to \$36,290,000. The architects are now preparing specifications for the addition. The scheduled completion date is early in calendar year 1964.

The General Services Administration is negotiating for the purchase of the additional 27 acres of land adjacent to the Social Security Building site which Congress authorized in the "Salaries and expenses" appropriation for fiscal year 1962. We expect this purchase to be consummated before the close of the fiscal year.

WORKLOAD AND STAFFING, FISCAL YEAR 1963

In the aggregate, the Bureau's workload and manpower requirements in 1963 are expected to be practically the same as in 1962, six-tenths of a percent higher in workload and three-tenths of a percent higher in man-years. There will be some decline in the OASI claims load from the peak caused by the 1961 amendments, but this will be more than offset by increases in other workloads connected with earnings records, disability claims and the maintenance of the growing beneficiary rolls. Operationally, the big difference from 1962 will be the change from working under practically emergency conditions, with heavy reliance on overtime, to handling our work in a normal manner, almost entirely on regular time, with overtime only for seasonal peak loads and for some few special situations. This is reflected in our estimates by the replacement of more than 1,600 man-years of 1962 overtime by regular staff in 1963. There is an increase of 1,720 in average employment, with an overall increase in man-years, including overtime equivalent, of only 112.

An important aspect of the budget that should be noted is that although our full-time staff is increasing over the last several years, workloads have increased much more. This means that each person on the staff is expected to handle more work. This is reflected in the budget by the fact that the output of work per man-year budgeted for 1963 is 7.9 percent higher than our most recent actual experience in fiscal year 1961.

APPROPRIATION REQUEST, FISCAL YEAR 1963

The basic authorization of \$270,400,000 requested for fiscal year 1963 represents an increase of \$4,230,000 over estimated obligations for 1962.

The estimated expenses for the Bureau proper increase by somewhat less than \$4 million. This is the net of numerous plus and minus factors, of which the most significant increases are: (1) Mandatory payroll increases, which account for \$3,242,000. These salary increases include statutory within-grade promotions and promotion of the large number of new claims personnel we put on in 1962 to handle the peak claims loads, in accordance with training agreements with the Civil Service Commission which provide for hiring of personnel at entrance grades with promotion upon satisfactory completion of training periods. (2) An increase in Bureau workload, which accounts for \$725,000. (3) Non-recurring work, \$1,783,000 more than in 1962. The estimates provide for an important new program to improve compliance with earnings reporting requirements in areas where studies have indicated substantial delinquency, at a cost of \$849,000; also the unbalanced workload and staffing situation in 1962 forced the deferment of a number of projects to 1963. Savings of \$1,060,000 as compared to 1962 resulting from the application of IDP techniques to claims operations are an important minus item. Other savings result principally from the return to a normal operation as compared to the heavy overtime and recruitment in 1962.

Funds to be advanced to the States in 1963 will be \$259,200 more than budgeted for 1962. This results from increases in average salaries of State agency personnel, procurement of medical examinations in a slightly higher proportion of disability cases which are being reconsidered upon the request of the claimant, and an estimated increase of \$1 in the average cost of examinations purchased, offset by a slightly lower State workload.

CONTINGENCY RESERVE

The 1963 appropriation request consists of \$270,400,000 for salaries and expenses and a contingency reserve of \$15 million. When a contingency fund was first approved in the amount of \$10 million for fiscal year 1960, it represented 5.5 percent of the basic appropriation. Relative to our basic request of \$270,400,000 for fiscal year 1963, a contingency fund of \$10 million would amount to only 3.7 percent. Experience has indicated that increased needs resulting from unbudgeted additional claims workloads can easily exceed the \$10 million limitation. Your approval to increase this fund to \$15 million will restore it to its original relationship (5.5 percent) to the basic authorization and maintain its effectiveness in serving its purpose.

CONCLUSION

In spite of growth in complexity of administration that necessarily accompanied extension of the protection of the program to those who were initially omitted because they were thought to be too difficult to cover, the inclusion of the risk of disability, and many other improvements which made the program a very much better instrument for insuring the economic security of the Nation's workers and their families, the program is administered at very low cost. In fiscal year 1963, all administrative costs for this Department and the Treasury Department will amount to only 2.19 percent of benefit payments. This includes all costs of tax collections and wage record maintenance as well as the expenses connected with processing claims and paying monthly benefits.

We will be glad to answer any questions the committee members wish to ask.

APPENDIX TO OPENING STATEMENT

PROGRAM ADMINISTERED BY BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

The old-age, survivors, and disability insurance program was established by title II of the Social Security Act of 1935 and revised by major amendments in 1939, 1950, 1952, 1954, 1956, 1958, 1960 and 1961. Through this series of amendments to the act, the program now provides protection to about 90 percent of the total labor force and their families against the loss of earnings because of old-age, disability, and death. Tax contributions from employers, employees, and self-employed, and members of the Armed Forces are deposited in the Federal old-age and survivors insurance and Federal disability insurance trust funds, out of which benefit payments and administrative costs are paid, so that the budget for administrative expenses does not enter into the determination of the balance of the general fund budget.

The effect of the series of legislative changes coupled with the normal growth in the number of persons attaining insured status under the act is reflected in the increase in the number of beneficiaries and amount of benefit payments in the table below:

Old-age and survivors insurance

[In millions]

Fiscal year	Beneficiaries in current pay status (end of year)	Benefits paid dur- ing year
1941	0.1	\$64
1945	1.1	240
1950	2.9	727
1955	7.4	4,333
1957	10.1	6,515
1958	11.7	7,785
1959	12.8	9,049
1960	13.7	10,270
1961	14.7	11,180
1962 (estimated)	16.4	12,625
1963 (estimated)	17.4	13,538
1980 (estimated)	26.0	¹ 24,673

¹ Assuming that earnings will continue to rise in the future as they have during the past century, OASI benefit payments assuming no change in benefit provision would in calendar year 1980 be \$24,673,000,000 and disability benefit payments in calendar year 1980, \$1,692,000,000.

If, on the other hand, it is assumed that average annual earnings in the future will continue at about the levels prevailing in 1959, OASI benefit payments in 1980 are estimated at \$22,688,000,000 and disability payments at \$1,550,000,000.

Beginning in fiscal year 1958, disability insurance benefits were payable to disabled workers age 50 and over; in fiscal year 1959, dependents of these workers were made eligible to receive benefits; and in fiscal year 1961, the age 50 requirement for disabled workers was removed. The growth in the amount of disability benefits paid and the number of beneficiaries is shown below:

Disability insurance

[In thousands]

Fiscal year	Beneficiaries in current pay status (end of year)	Benefits paid during year
1958.....	200	\$168,000
1959.....	361	339,000
1960.....	522	528,000
1961.....	897	704,000
1962 (estimated).....	1,120	990,000
1963 (estimated).....	1,303	1,073,000
1980 (estimated).....	1,763	1,692,000

¹ Assuming that earnings will continue to rise in the future as they have during the past century, OASI benefit payments assuming no change in benefit provision would in calendar year 1980 be \$24,673,000,000 and disability benefit payments in calendar year 1980 \$1,692,000,000.

If, on the other hand, it is assumed that average annual earnings in the future will continue at about the levels prevailing in 1959, OASI benefit payments in 1980 are estimated at \$22,688,000,000 and disability payments at \$1,550,000,000.

At the end of November 1961, the average monthly benefit was \$76 for all retired workers who were receiving benefits. The average monthly benefit payable to disabled workers at the end of November 1961 was \$90.

Estimated average family benefits in current payments status, Nov. 30, 1961

Family group:	<i>All families</i>
Retired worker only.....	\$71
Retired worker and aged wife.....	126
Aged widow only.....	65
Widowed mother and 2 children.....	193
Disabled worker only.....	88
Disabled worker, young wife, and 1 or more children.....	193

ORGANIZATION AND STAFFING OF BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

The Bureau provides direct account number and claims service to the public through the facilities of 591 district offices (as of January 1962) located in the principal cities in each State and Puerto Rico and by means of regularly scheduled visits to over 3,600 resident and contact stations in smaller communities. In addition to its district offices the Bureau has seven payment centers located in different sections of the country. The Baltimore center services disability claims for the entire Nation. These payment centers certify monthly the benefits paid under the program. The Bureau's administrative offices and records center are located in the Social Security Building, Baltimore County. In addition, the Bureau contracts for the services of 56 States and territorial agencies in making disability determinations.

WORKLOADS

The volume of work received by the Bureau in any year is not subject to its control, but is dictated by provisions of the law and by demographic, economic, and other related factors. Indicated below are estimates of some major workloads that will be received by the various organizational units of the Bureau in fiscal year 1963.

Workload	Organizational unit	Amount
Original and duplicate account number applications.....	District offices.....	6,991,000
Earnings items received for processing to individual accounts.....	Records center.....	290,020,000
Inquiries on claims matters.....	District offices.....	14,079,000
Claims applications for retirement and survivors benefits.....	do.....	3,352,000
Claims applications for disability benefits from disabled workers and dependents.....	do.....	794,000
Beneficiaries in current pay status:		
OASI (end of year).....	Payment centers.....	17,406,000
Disability (end of year).....	do.....	1,303,000
Claims on which disability determinations need to be made.....	State agencies.....	395,000

SUMMARY OF BUDGET

Mr. CHRISTGAU. Mr. Chairman and members of the committee, the basic authorization of \$270,400,000 we are requesting for fiscal year 1963 represents an increase of \$4,230,000 over estimated obligations for 1962.

The estimated expenses for the Bureau proper increase by somewhat less than \$4 million. This is the net of numerous plus and minus factors, of which the most significant increases are: (1) Mandatory payroll increases, which account for \$3,242,000. These salary increases include statutory within-grade promotions and promotion of the large number of new claims personnel we put on in 1962 to handle the peak claims loads in accordance with training agreements with the Civil Service Commission which provide for hiring of personnel at entrance grades with promotion upon satisfactory completion of training periods. (2) An increase in Bureau workload, which accounts for \$725,000. (3) Nonrecurring work, \$1,783,000 more than in 1962. The estimates provide for an important new program to improve compliance with earnings reporting requirements in areas where studies have indicated substantial delinquency, at a cost of \$849,000; also the unbalanced workload and staffing situation in 1962 forced the deferment of a number of projects to 1963. Savings of \$1,060,000 as compared to 1962 resulting from the application of integrated data processing techniques to claims operations are an important minus item. Other savings result principally from the return to a normal operation as compared to the heavy overtime and recruitment in 1962.

ADVANCES TO STATES

Funds to be advanced to the States in 1963 will be \$259,200 more than budgeted for 1962. This results from increases in average salaries of State agency personnel, procurement of medical examinations in a slightly higher proportion of disability cases which are being reconsidered upon the request of the claimant, and an estimated increase of \$1 in the average cost of examinations purchased, offset by a slightly lower State workload.

The proposed contingency reserve of \$15 million will restore the percentage relationship of the reserve to the basic authorization represented by the \$10 million reserve when it was first established in the 1960 appropriation. Experience has shown that the need for a contingency reserve can easily exceed \$10 million.

EFFECT OF 1961 SOCIAL SECURITY ACT AMENDMENTS

Since we met with you a year ago, additional changes have been made in the old-age, survivors, and disability insurance program with the enactment of the 1961 amendments to the Social Security Act in June 1961. Largely because of these amendments, we expect our workloads in fiscal year 1962 to be about a fourth greater than we handled in 1961. The provision for reduced benefits for men at age 62 on an optional basis is expected to result in 650,000 claims from men in this age group and their dependents in fiscal year 1962. Other provisions of the 1961 amendments—the liberalization of insured status requirements, the revision of the retirement test, and the extension of the deadline date for filing application by persons who became disabled back several years—are expected to result in an additional 267,000 claims in 1962. The 1961 amendments also increase the benefit amounts paid to widows and those individuals entitled to a minimum benefit payment. The increased benefits were reflected in checks mailed in September 1961 to more than 3¼ million beneficiaries.

SUPPLEMENTAL APPROPRIATION FOR 1962

To process the work arising from the 1961 amendments, the Congress authorized supplemental funds amounting to \$26,500,000 in September 1961. In addition the contingency fund of \$10 million authorized in the regular appropriation for 1962 has been apportioned for use in handling disability workloads substantially greater than our 1962 budget provided for. This excess was due to many more claims than we had expected being filed as a result of the removal by the 1960 amendments of the age 50 limitation for disability benefits.

To handle this additional work the Bureau has been increasing its staff on duty from the 30,900 at the end of fiscal year 1961. As of February 9 the staff on duty was 33,200. It will rise to 33,900 by the end of fiscal year 1962. In addition, nearly 2,300 man-years of overtime have been planned to handle the greatly increased workload. Substantial amounts of overtime were used early in the fiscal year to handle a very heavy load of claims for men aged 62 to 64 immediately after enactment of the amendments and will again be required in the current quarter to handle the normal seasonal peak, augmented by amendment work.

CLAIMS AND BENEFIT PAYMENTS

During fiscal years 1962 and 1963, we will make substantial progress in the implementation of our long-range program to further increase the efficiency and effectiveness of our claims and benefit payment operations by use of electronic equipment and integrated data processing techniques. We have completed the installation of computers in our payment centers and have concentrated our efforts on establishing a

master tape of beneficiary information. We plan to use this tape to process an increasing number of changes to our beneficiary rolls, such as change of address, suspensions, and terminations, by use of electronic equipment. By the end of fiscal year 1962, all Bureau action centers will be linked together by a wire communications network which will expedite the flow of claims data among offices and provide a medium for comprehensive application of integrated data processing techniques.

We will be glad to answer any questions the committee members may wish to ask.

Mr. Ball, Mr. Futterman, and Mr. Crooks are here.

1963 BUDGET REQUEST AND EFFECT OF CUT IN 1962 REQUEST

Mr. FOGARTY. Your appropriation for 1962 is \$267,570,000, and the request for 1963 is \$285,400,000, an increase of \$17,830,000.

Mr. CHRISTGAU. Yes, sir.

Mr. FOGARTY. Now, last year you asked for a supplemental appropriation of \$39,875,000 and it was cut to \$26,500,000. How has that affected your operations?

Mr. BALL. Mr. Chairman, \$10 million of that cut was a request on our part to restore the contingency fund. And that, of course, would have been available only if workloads in claims would have exceeded the estimates, and they have not done so, so that that \$10 million has no effect on us.

Now, the remainder, as far as the——

Mr. FOGARTY. \$3 million.

Mr. BALL. The remainder, as far as the \$3 million is concerned—actually, so far in 1962, we have been running somewhat under our estimates for workloads. As of the end of the first half of the year, on a composite basis, we were about 6 percent under what we had originally thought our workloads would be, and our feeling is now that the \$3 million cut, in all likelihood, would not have a serious effect on the operation, for that reason.

OVERTIME WORK

Mr. FOGARTY. How does that affect the overtime payment?

Mr. BALL. Well, we have been using very heavy amounts of overtime in the early part of this year, because the changes in the law brought in a large number of claims before it was possible to staff up and train the staff. It was our plan, and we are carrying it out this year, to use heavy overtime in 1962.

Now, the place where we would take any reduction in expenditures, as a result of not realizing the workload, would be in the overtime area, and we will probably be using less overtime in the whole year than we had originally contemplated at the time of our request.

Mr. FOGARTY. Well, you have not made that plain to me. Your overtime is going up and your workload is going down.

Mr. BALL. Mr. Chairman, there was a very heavy use of overtime in the first half of the year, as a result of these amendments.

Now, in district offices, we had to use, for taking these age-62 claims, particularly through the first half of the year——

Mr. FUTTERMAN. We had the equivalent of 2,400 people.

Mr. BALL. Yes, the equivalent of 2,400 people in the first half of the year. That is the equivalent for the half year; we used 1,200 man-years of overtime, or 2,400 half man-years of overtime, in the first half of the year.

Now, the situation at the present time is that we are still using, in our payment center operation in the month we are in now, and last month, quite heavy overtime. Our district offices, on the other hand, are now using rather small amounts of overtime compared to earlier in the fiscal year.

The overtime now being used is in considerable part the result of a seasonal peak that we always have in January and February. More people file applications at that time of year than any other time. That is over and beyond the situation as far as the amendments are concerned.

RELATIONSHIP OF BUDGET REDUCTION TO OVERTIME

Mr. FOGARTY. You still have not made it clear to me why you need all this overtime and you do not need that \$3 million that you asked for but was not allowed by the Congress last year.

Mr. KELLY. Mr. Chairman, I think that it should be made clear that, both in our apportionment plan to use the \$10 million contingency for the additional workload coming out of the increased disability claims being received and in our plan which we submitted to the Congress for the supplemental, there was contemplated that a very considerable portion of the additional work would be provided for or carried out through the use of overtime.

And although the Congress did decrease the total amount available, it still left a very substantial sum for overtime.

And you indicated that we were using overtime although the work was going down. It seems to me that it might be characterized as the workload is going up but not quite as rapidly as we had anticipated, but still requires the use of extensive overtime to cope with it.

Now some of the overtime dealt with problems that you could not reasonably expect to put on full-time staff to carry out, because they were a one-time operation, to accomplish the requirements of the 1961 amendments.

Mr. FOGARTY. You say some of the overtime. What do you mean by "some"?

Mr. KELLY. For example, they had to get out the revised payment checks by September, under the new scale of the 1961 amendments. And this was the kind of a one-time job that had to be accommodated with our existing staff. You could not hire people and train them to do this within the period of time available.

Mr. FOGARTY. I understand that.

Now, how much overtime could have been eliminated if we had granted this other \$3 million?

Mr. BALL. Mr. Chairman, I do not think any overtime could have been eliminated by the additional money. What it would have done would have been to supply more overtime money.

Our limitations really were on our ability to hire and train staff quickly enough. It takes close to 6 months to get a claims representative on the job and trained and able to take these claims. And the amendments were of such character that, especially under the provision

permitting benefits at age 62 for men, there was a very heavy load developed during last summer and this last fall. There was enough money allowed us by Congress for hiring going staff—the regular staff that we would continue to need—the reduction affected the amount of overtime.

As Mr. Kelly suggested, there was left to us, though, a sizable amount of overtime. Under the estimate for 1962, what was allowed was something close to \$15 million in overtime. And that is what we have been planning on using.

ADEQUACY OF FUNDS AVAILABLE FOR 1962

Mr. FOGARTY. Congress was pretty liberal with you last year. We gave you more than you needed.

You have got \$1.4 million put in reserve, even after the reduction in your request.

Mr. BALL. And I think the only explanation of why we nevertheless feel that we are able to handle the situation in 1962 is that there is an underrealization so far of workloads. If we had gotten all of the workloads that we expected at the time of our requests and there had been these cuts, I think there would have been real difficulty.

Mr. FOGARTY. The \$1.4 million that has been put in reserve isn't going to do you any harm either?

Mr. BALL. I think that will depend, for the rest of this year, on whether we realize the workloads estimated. If we end up the year with a significant underrealization of workloads, then certainly the \$1.4 million will not constitute a problem. If, in the last quarter of the year, we receive a great deal of work to partly make up for the underrealization of workloads so far, then it is possible that we would have to ask for the release of that reserve.

1963 WORKLOAD ESTIMATES

Mr. FOGARTY. All right, how much do you think we ought to cut this appropriation for 1963 on the basis of your present knowledge?

Mr. BALL. On the basis of our present knowledge, Mr. Chairman, we think that the workload estimates in 1963 are very solid. As a matter of fact—

Mr. FOGARTY. How could they be solid, when you do not know what the rest of this year is going to be?

Mr. BALL. I will tell you why I think they are very solid. The reason that there is some underrealization of our load so far is the fact that some people have not yet learned about the rather complicated changes in the law that took place in 1961 and 1960, particularly in the retirement test area, Mr. Chairman. Therefore, we expected more people to file in this current year. We thought more of them would know about it and come in and file.

We conducted informational programs to get the story across. The basis for our estimates of the number of people being eligible under the amendments is sound. And insofar as they do not come in and file applications this year, there is a potentiality of some overrealization of workloads next year.

So I would not be at all doubtful of a full realization of the workloads for next year. And our—

Mr. FOGARTY. Well, if you were \$5 million off in your estimate for 1962, I think it would be considered by some Members of Congress that you are probably off in 1963.

Mr. BALL. Well, except that the explanation is, Mr. Chairman, that the estimates of people entitled to benefits is a sound estimate, but they have not yet learned of their rights. As the year passes more people will learn about the changes in the law and the people who did not come in in 1962 will come in in 1963 and those who were estimated to come in in 1963 will also come in. If anything, we will be somewhat underestimated on that ground. We may have some of the 1962 loads in 1963.

So I feel that any reduction in the 1963 request would be quite serious.

INCREASE FOR CONTINGENCY FUND

Mr. FOGARTY. Most of the 1963 increase is \$15 million for the contingency fund. That accounts for over 80 percent of the total increase.

Mr. BALL. Yes, sir. That is to restore the contingency to the same ratio as the \$10 million was when you established the \$10 million.

Mr. FOGARTY. I see.

NONRECURRING WORKLOAD

You also have an increase of \$1,783,000 for nonrecurring work. What does that cover?

Mr. BALL. Mr. Chairman, there are a large number of individual items there. If I can pick out a few of particular interest, and then you might want all of them for the record.

Mr. FOGARTY. All right. We will put them all in the record. Give us a couple of examples now.

(The information referred to follows:)

STATEMENT OF NONRECURRING WORK BUDGETED FOR FISCAL YEAR 1963

The Bureau has budgeted a total of \$2.8 million in fiscal year 1963 for nonrecurring work compared to slightly less than \$1 million in fiscal year 1962. Except for the one-time job of converting widow's benefits and minimum benefits to the new rates established by the 1961 amendments, no other nonrecurring work involving the use of Bureau manpower is planned for in the 1962 operating budget. Because the sharp increase in workloads estimated for 1962 would require the use of all personnel plus recruiting added staff and working substantial amounts of overtime, some of the nonrecurring work previously planned for 1962 was deferred until 1963.

The manpower costs identified in the budget for nonrecurring work are those which involve direct operating personnel. There are some additional costs related to the time spent by employees occupying staff-type positions in planning, tabulating and analyzing data obtained, and preparing final reports which are not included in the cost estimates.

A short description of the nonrecurring work budgeted for fiscal year 1963 follows:

Processing self-employed reports of earnings not previously submitted to BOASI

Beginning in fiscal year 1960, the Bureau initiated a project to screen reports of self-employment income which had been retired to GSA records centers by the Internal Revenue Service. This project was undertaken because sample studies indicated that there was a substantial number of self-employment returns that had never been forwarded to the Bureau of Old-Age and Survivors Insurance by the Internal Revenue Service.

During fiscal years 1960 and 1961 temporary employees hired by the BOASI screened the self-employment returns filed for the calendar years 1951-56 which

had been retired to GSA records centers, and located 183,207 returns reflecting self-employment income of \$411,340,000 which had never been credited to the individuals' accounts and \$10,687,000 in contributions which had not been credited to the OASI and DI trust funds.

The 1963 budget estimate of \$122,223 and 29.5 man-years for this project provides for: (1) Processing to the workers' accounts the returns discovered in the screening process described above; and (2) screening self-employment returns for calendar year 1957, which sample studies indicate may include a significant number of returns which have not been forwarded to the BOASI.

Adjustment of accounts of self-employed

Prior to converting to EDP equipment in fiscal year 1960, the earnings records of the self-employed were screened for all accounts to which more than four self-employment quarters of coverage were credited in any one year. Summary information on all accounts reflecting questionable quarters of coverage data was compiled as a basis for a later examination of the earnings record. The investigation of these earnings records and reconciliation of the apparent multiple reportings with the Internal Revenue Service will require approximately 20 man-years and \$86,940 in fiscal year 1963.

Determination of liability in State and local coverage

The 1960 amendments authorized the States under certain circumstances to compute their contribution (tax) liability for employees who work for more than one employer as though the employees worked for a single employer. This limitation of contribution liability is applicable for retroactive periods beginning with calendar year 1957 as well as prospectively.

In connection with the retroactive periods, it will be necessary to prepare special procedures for identifying and handling these adjustments. It will also be necessary to prepare credit letters or provide for refund of the employer's share only of the amounts paid which were in excess of the maximum. The employee overpayments will have already been refunded to them in connection with their personal income tax returns.

To accomplish this work in fiscal year 1963, a total of 20 man-years and \$89,000 has been budgeted.

Conversion of SS-5 file to film

The SS-5 (account number application) file contains the original application, any changes to the application received subsequently, and indicators of claims action. The file now contains approximately 175 million forms and has an annual accretion of 7,722,000 forms. It now occupies 40,000 square feet of space.

For several years consideration has been given to developing methods for converting this file to a more efficient system, such as film or electronic medium. The development of such a system involves overcoming many technical and operational problems deriving largely from the fact that facsimiles of other forms must, on a daily basis, be associated with the original forms SS-5.

For the past year and a half, the Bureau has discussed its needs with the research staffs of several companies who are developing file systems utilizing microfilm, electrostatic methods, and electronic circuitry for random search and retrieval of related forms. However, none of these systems exist in the form of readymade hardware, and all require additional research on the part of the companies concerned.

After studies are completed, it will be necessary to test pilot pieces of equipment to ascertain the practicability of a proposed system. It is estimated that this equipment will cost approximately \$300,000. A total of 12 man-years at a cost of \$54,000 and \$300,000 for equipment has been budgeted for this project.

Investigations of compliance with reporting requirements

In certain of the new areas of coverage—agricultural self-employment, domestic and agricultural employment—the Bureau is aware of significant underreporting of earnings. Enforcement to secure compliance with reporting requirements in these areas is given low priority by the Internal Revenue Service in the administration and enforcement of its programs because, understandably, it is, as a tax collection agency, concerned with the amount of tax revenue that it can collect per administrative dollar. The Bureau believes that the benefit-paying aspects should be considered of equivalent importance with tax collections and that the policy of maximum tax collection per administrative dollar should be tempered so as to give due weight to the need for good reporting under the OASDI program. If earnings are not reported it will mean that

thousands of individuals may be denied benefits to which they are properly entitled or may be paid smaller benefits than they should be paid.

Pilot studies made in North Carolina in 1957 and Tennessee in 1960 on reporting of earnings by self-employed farmers indicated: (1) That 28 percent of the farmers in 22 counties of North Carolina who had previously not reported earnings, did file a return upon receipt of a letter of inquiry regarding their failure to report; and (2) that of a total of 55,454 contacts made with nonreporting farmers in Tennessee, 13,058 reports were secured as a result of the contact.

To give concentrated attention to this area of underreporting, the Bureau is requesting funds amounting to approximately \$849,000 in 1963 to do the following work:

(a) *Canvass of farm self-employed.*—Mail canvassing programs will be conducted in a number of States to develop lead information on farm self-employed who may have minimum net earnings of \$400 annually, but who have not filed tax returns. Those who appear to have a tax liability will be interviewed and referred to Internal Revenue Service for action. An estimated 101 man-years will be required for 1963 at a cost of \$695,110.

(b) *Reports by household employees.*—Lists of probable employers of covered domestic employees will be prepared and screened against Internal Revenue Service records. It is expected that this will result in mailing of approximately 200,000 letters to probable employers. This will require an estimated 13.5 man-years, mostly clerical time, at a cost of \$68,220.

(c) *Reporting by agricultural employers.*—A broad-based informational program will be carried out, supplemented by individual contacts, to advise employers of agricultural labor of reporting requirements and insure reporting compliance; 14.5 man-years, all field representative time, will be required at an overall cost of \$121,676, including travel costs of \$5,750.

Survey of representative payees

The Bureau plans to conduct a nationwide survey to test the policies and guidelines now used to select representative payees for beneficiaries unable to handle their own funds. The survey will enable the Bureau to evaluate selection procedures, learn how well representative payees discharge their responsibilities, and analyze the causes and effects on beneficiaries of changes from one payee to another. Five thousand cases will be selected for this study. The estimated cost \$84,932, includes travel costs of \$10,125.

Study of continuing eligibility to benefits

This study stems from a similar study conducted in fiscal year 1959 which showed the desirability of making frequent checks on the effectiveness of Bureau enforcement procedures. The study will be designed to test the degree of compliance by beneficiaries in carrying out their obligations to report events which may result in deduction, suspension, or termination of benefits; to validate identity of payees and beneficiaries; to measure factors causing delinquent reporting and nonreporting of events affecting payment of benefits; and to devise means of obtaining more timely reporting by representative payees and beneficiaries. This study will require 31 man-years, and the estimated cost of \$226,000 includes \$22,000 in travel costs.

Study of denied disability applicants

Planned for fiscal year 1963 is the first phase of a study of denied disability applicants to test the soundness of the Bureau's standards for determining disability. A sample of disability claims applicants who have been disallowed will be interviewed by district office personnel and referred, if necessary, to a State agency for the purchase of a medical consultative examination. Results will be compiled and analyzed by Bureau headquarters staff for purposes of recommending any required revisions in disability policy and standards.

The estimated total costs of this project in 1963 are \$137,000. State agency expenditures, including the cost of medical examinations, are \$65,000; and district office costs are \$72,000, including \$7,000 for travel expenses.

Musculoskeletal study

A study will be made of a sample group of applicants for disability insurance benefits who have diseases or injuries related to the musculoskeletal system. This study, to be performed on a contract basis at an estimated cost of \$50,000, is designed to provide information essential to improving the standards used by

the Bureau in evaluating the claims of workers with disabilities in this medical area.

Appraisal of medical-legal concepts of the disability program

The Bureau plans to contract with universities or other institutions of higher learning for their sponsorship of studies to: (a) Obtain objective appraisal and critique of the basic medical-legal aspects of the disability program; (b) gain better understanding and acceptance by the courts and the legal profession generally of the concepts of the disability program; and (c) develop suitable training programs for participants in the program from the legal and medical professions. The project will be conducted in fiscal years 1962 and 1963; \$49,000 and \$50,000, respectively, are budgeted.

Use of rehabilitation services by disability beneficiaries

A study will be made focusing on the experience of persons denied disability benefits, as well as a control group of persons allowed benefits. This study will be designed to determine what changes occur in physical condition or in economic condition and dependency, and what the role of the VR agency and other community agencies has been in decreasing the physical or economic dependency of disability applicants. This project will be conducted in fiscal years 1962 and 1963; \$53,000 and \$65,000, respectively, are budgeted.

Retirement history project: Longitudinal study of aged beneficiaries

In 1963, the Bureau will conduct the first stage of a study to obtain information over a period of about 12 years to determine how the social and economic situation of aged beneficiaries changes with the passage of time. The study will fill gaps in Bureau knowledge as to what changes occur in the resources of beneficiaries during retirement and what adjustments they make to such changes. This first phase was scheduled for the spring of 1961 but was postponed because of the limitation of professional staff available to work on the project at that time. The total cost of the fact-gathering phase of the survey will be 17 man-years and \$163,000. Preliminary staff work will be done in fiscal year 1962.

Survey of persons granted public assistance

This project is designed to provide information on reasons why some public assistance recipients do not receive OASDI benefits and why some OASDI beneficiaries need public assistance. Through the cooperation of the Bureau of Family Services, information concerning persons granted public assistance during a given period of time will be obtained. Then, from Bureau records and through home interviews, additional data on the OASDI status of these recipients will be gathered. The resulting data will be summarized, analyzed, and evaluated for program planning purposes. The total cost of the fact-gathering phase of the survey will be 8 man-years and \$66,000.

Cross-section survey of old-age beneficiaries

In 1963, the Bureau plans to conduct a third national cross-sectional survey of old-age beneficiaries—the last one was in 1957. Selected categories of beneficiaries will be interviewed on a one-time basis for data on their current economic situation. The data from this summary will be used to evaluate the extent to which the program is accomplishing its basic objective of income maintenance so far as the aged are concerned. The total cost of the interviewing phase of the survey will be 15 man-years and \$144,000.

Operations research

As the result of the feasibility study made in 1961 by a Johns Hopkins operations research team, a decision was made to engage the services of a firm to conduct an operations research study of the geographic and functional structure of the OASI claims process. In addition it is planned that technical assistance to the Bureau will be contracted for in 1962 and 1963 in the implementation of IDP system in the payment centers. One hundred and fifty thousand dollars has been budgeted for these purposes in 1962 and \$275,000 in 1963.

NEW COVERAGE

Mr. BALL. One that I think of that is of very special interest is the project that we are requesting money for to get better reporting in some of these new coverage areas—farm self-employed, domestic

workers, and agricultural workers, where we have evidence to indicate that there is a significant number of people who should be filing returns and getting eligibility for benefits who have not done so. Of course, collecting the contributions is basically an Internal Revenue responsibility. What we have in mind here is a rather large-scale informational approach whereby we would try to locate farm operators, for example, who have not been reporting and make a contact with them, usually by mail. Some studies we have conducted along this line indicate that is usually enough. They will then start to report if they recognize that we are aware of the fact that they have not been reporting and that they should be.

RESPONSIBILITY FOR REPORTING

Mr. FOGARTY. What about the domestic worker that does not want to come under this program because she would rather take the cash than get coverage?

Mr. BALL. Of course, the legal responsibility is on the employer to make this report. It is a compulsory system, of course.

But I think you have put your finger on one of the real difficulties here. Some household employees undoubtedly are concerned about reporting under social security because of the income tax.

On the other hand, our stronger feeling, Mr. Chairman, is that there is a considerable amount of ignorance still as to the fact that this is a compulsory program and that the employer is liable for this tax. And a considerable part of our effort here would be directed at informing employers of household workers that they do have this responsibility. It is a legal requirement. And actually, of course, if they do not report, they may be picked up later and have to pay back taxes.

Mr. FOGARTY. What are the penalties?

Mr. BALL. The penalties are in the Internal Revenue Code, and, of course, they run all the way from just charging interest for what is a delinquency but without fault, up to rather serious penalties for intentional evasion.

Mr. FOGARTY. What is the penalty on the part of the employer?

Mr. BALL. It is all on the part of the employer.

Mr. FOGARTY. I see.

Mr. BALL. Yes.

You see, the responsibility for reporting in the program is always on the part of the employer. Now, he is given the right to deduct the employee's share from his wages. But then the employer is responsible for the whole thing. If he does not do it, he is responsible for the combined employer-employee contribution. That is true throughout the whole program.

Mr. FOGARTY. What do you mean about deducting the wages of the employee?

Mr. BALL. Deducting the employee's share of the social security contribution. The employer can do that, but if he does not, he is still liable for the combined employer-employee tax. And the penalties are all on the employer. In other words, the employee has no legal liability to report.

It is true that, in the case that you cited, a household employee might persuade an employer not to report, really prevail on the employer not to do so.

Mr. FOGARTY. Well, the employee would be subject to the Internal Revenue Code, too, if she had income and did not report it.

Mr. BALL. Yes. I am talking solely about social security.

FARM SELF-EMPLOYMENT DELINQUENCIES

Mr. CHRISTGAU. Mr. Chairman, on the farm self-employment, the delinquency in reporting is largely in the low-income areas. We feel that many of these farm people might not become entitled to benefits because of failure to report taxable income under social security and thus add to the public assistance load if they eventually are in need.

Taking the Midwest, for example, we get very good reporting from the Midwest—Iowa, Minnesota, Wisconsin, and through that area. But in the South and some of the other low-income areas, we intend to make a special drive to get them to report.

Many farmers, for example, in that area do not understand the option that the gross income may be sufficient to entitle them to benefit credits even if the net income is not. They still can develop social security credit. So there still is a lot to be done in informing these people of their rights.

Mr. FOGARTY. It will be a good thing for the farmer in the long run, will it not?

Mr. CHRISTGAU. Oh, yes.

Mr. BALL. There is a statute of limitations that runs on this, so if there is no report made within about 4 years, then people do lose their credit under social security. And that is why we are very anxious to move ahead—

Mr. FOGARTY. I see.

Mr. BALL (continuing). Promptly with this reporting project.

IMPORTANCE OF SOCIAL SECURITY TAX RECORD

There is a real difficulty, I think—not a difficulty, but a situation that the committee should be aware of in this area—and that is that the function of getting a tax return in social security is not primarily or solely a matter of getting the money for the contributions. The return also becomes the basis for establishing eligibility for benefits.

And, over the years, it is quite natural that the Revenue Service has concentrated on collecting money, and they tend to spend their appropriation where they can get a big tax return—the byproduct of a correct social security report has not received quite the same priority.

Take an area like domestics. There is very little tax involved. But from the standpoint of the social security program, you save administrative money by having the returns filed because otherwise later on we will have to investigate a claim and get a wage record by much more costly means than if we have it in the first instance. You protect peoples' rights by having complete records in the very beginning.

And we feel that this kind of a pinpointed informational program is an excellent start toward achieving better reporting in these problem areas.

ELIGIBILITY STUDIES

Another project here that I am sure you will be interested in, Mr. Chairman, because of your questioning of the Commissioner a little while ago, is a joint project that we have for 1963 with the Bureau of Family Services, aimed at finding out why it is that some people who are receiving public assistance are not eligible for old-age and survivors insurance. What is there about the basic law of the social security program that has resulted in their lack of eligibility? The study would look toward possible changes in the insurance program that, for the future, would fill up any gaps that there are so that we could reduce the amount of need for public assistance.

Also, the study would concern itself with why it is that certain OASI beneficiaries receive supplementation from public assistance. Why is it that their social insurance benefits are as low as they are so that they need supplementation; and what possible changes could be made in the insurance program to help in that respect?

OASI BENEFICIARY STUDY

Another study that we plan to start in 1963, is a continuing study of a group of OASI beneficiaries over a 12-year period—to follow through what happens to them year after year in terms of using up their assets; whether they can get along on the OASI benefits plus whatever income and assets they have; what adjustments they can make in terms of getting part-time jobs, and just how this group gets along over the years. We call it the longitudinal survey. This study will give very valuable information for the OASI program, and also there will be important byproducts for the whole field of aging.

OASI now is getting pretty close to being representative of the whole population over 65, and what studies we do of the OASI population are generally relevant to the whole aged population.

SPACE AND COMMUNICATION COSTS

Mr. FOGARTY. Now, there is an increase of \$1,748,000 for “continuing space and communication costs.” What is this all about?

Mr. BALL. A considerable part of that, Mr. Chairman, grows out of the expansion in space that was necessary in 1962 as a result of putting on more staff because of these amendments. And this is an annualization—a major part of it is an annualization of the rent that is paid for the expansion in space from this series of legislative changes.

Mr. FOGARTY. How does that compare with your \$5 million cut?

Mr. BALL. As I was suggesting earlier, the \$5 million cut was really a cut in the overtime, and since it did not affect the continuing staff, it would not affect this space.

Mr. FOGARTY. Was the \$5 million all applied to overtime?

EFFECT OF RESERVES

Mr. BALL. No. The \$1.4 million reserve actually was applied to some of the special one-time study projects that I was describing to you a minute ago. In that area we postponed certain things that

were planned for 1962 to 1963, as a result of the \$1.4 million reserve. The cut by the Congress—

Mr. FOGARTY. Will you put in the record, then, how this \$1.4 million reserve has affected your program?

Mr. BALL. Yes, sir.

(The information requested follows:)

\$1.4 MILLION RESERVE ON THE FISCAL YEAR 1962 APPROPRIATION

The \$1.4 million reserve on the Bureau's fiscal year 1962 appropriation reduced the amount of manpower available to the Bureau for 1962 by 251 man-years. Because of this reduction in available manpower and funds, some of the work which the Bureau had planned to accomplish in 1962 was deferred until 1963.

Detailed below are the revisions in budget plans which the Bureau made when the \$1.4 million reserve was imposed.

1. *Delayed the implementation of a new procedure for representative payee accounting*

Effective January 1961, the social security regulations require representative payees, persons who are receiving benefits on behalf of another person, to account annually for the use of the benefits. Prior to the issuance of this regulation, no formal accounting was required, although the Bureau did require informal reports from certain payees when deemed necessary by an analysis of the individual case. To implement the new regulation, the Bureau planned to contact the bulk of representative payees on the rolls prior to January 1961, to explain the new requirement, and to obtain the initial report. The Bureau would also assist the payee in the preparation of the report when necessary. As a result of the decrease in available funds, most of these initial contacts were deferred until fiscal year 1963, resulting in a \$769,000 reduction in budgeted funds. Because the change in scheduling will reduce the total number of contacts over the 2-year period, a slightly smaller amount (\$674,000) was added to the 1963 budget estimate.

2. *Postponed some nonrecurring work*

Some nonrecurring projects originally scheduled for fiscal year 1962 at a cost of \$417,000 were deferred because of the reduction in available funds. These projects, with one exception, have been rescheduled for fiscal year 1963. The projects are:

Adjustment of accounts of self-employed.....	\$87,000
processing self-employed tax reports from Federal record centers.....	122,000
Survey of representative payees.....	75,000
Longitudinal study of aged beneficiaries.....	109,000
Investigation and correction of name discrepancies on magnetic tape of earnings records.....	24,000

The last project was not rescheduled because another method of handling this work was under consideration. The projects deferred until 1963 are explained in a preceding insertion to the record entitled "Statement of Non-recurring Work Budgeted for 1963."

3. *Delayed filling of staff positions*

By delaying the filling of staff positions budgeted for 1962 until later in the fiscal year, an estimated \$128,000 was saved from the budget plan for 1962. This budget revision did not affect the 1963 request.

4. *Decrease in other object costs related to above changes*

Savings in other objects costs (other than personnel compensation and benefits) related to the above changes are estimated at \$86,000 in 1962. The added other objects costs in 1963 due to deferment of work scheduled for 1962 are estimated at \$70,000.

BALTIMORE SPACE PROBLEMS

Mr. FOGARTY. How many of your people are still in rented space in Baltimore?

Mr. BALL. About 2,500, I believe.

Is that right?

Mr. CHRISTGAU. That is right—2,400.

Mr. FOGARTY. What did you do about that additional land that we provided funds for last year?

Mr. CHRISTGAU. Condemnation proceedings have been started on it.

Mr. FUTTERMAN. Not on the land of which funds were provided last year.

Mr. BALL. We have got two things going on in the area of land acquisition.

Mr. CHRISTGAU. Oh, yes. Condemnation proceedings have been started on an earlier acquisition of 31 acres.

Mr. BALL. There is a negotiation for the 26 acres currently going on to arrive at a price.

Mr. CHRISTGAU. Yes.

Mr. BALL. I believe we expect a culmination about April, don't you, Roy, on this?

Mr. TOUCHET. Of course, it is pretty hard to tell. The appraisals and engineering surveys have been made, and contacts have been made with the owner. There are the negotiations for the price of the land. It is hard to tell.

We have to get that in this year. This is 1-year funds. If we fail on it, we would not get the land. But the General Services Administration expects to get it any time.

Mr. FOGARTY. It is getting kind of late in the year, is it not?

Mr. TOUCHET. I do not think so, Mr. Chairman. I think we have sufficient time to complete the transaction. So does GSA.

Mr. FOGARTY. Four months?

Mr. TOUCHET. This is right.

Mr. FOGARTY. Well, from some of the experience I have had with GSA, it has taken them a lot more than 4 months to close out some similar deals. I hope your experience is better than mine has been.

ADDITIONAL CONSTRUCTION

Mr. FOGARTY. What plans do you have for additional construction?

Mr. BALL. We have authority for an addition to the annex that the architect's plans are being drawn on now, and we will move into the present annex this coming August. The expectation is that the addition to the annex would be completed about 18 months after that, and that is expected to be enough to house the entire Baltimore staff at the site, barring expansion of the program.

Mr. FOGARTY. Do you feel pretty sure about that? I was going to ask you if you had any plans to add on to the annex.

Mr. BALL. I was going to say, in further explanation, that this assumes no major amendments.

FEES FOR MEDICAL EXAMINATIONS

Mr. FOGARTY. What accounts for the increase of \$755,741 for advances to State agencies?

Mr. BALL. There are two parts to that. There is about a \$1 unit cost increase in the medical examinations. This comes about from revisions in fee schedules in the States.

What we follow—

Mr. FOGARTY. How do the fee schedules fluctuate?

Mr. BALL. I guess they have been fluctuating just up.

Mr. FOGARTY. How does Mississippi, for example, compare with New York, California, or Massachusetts?

Mr. BALL. Oh, there is a very considerable variation. What we do is to follow the fee schedules of the vocational rehabilitation agencies where they are the contracting agency with us. You will remember that they make the disability determinations under the program, and this \$1 unit cost is to reflect changes that they have made in these schedules, which reflects some increase in the fees that doctors generally get.

The other part—

Mr. FOGARTY. What is the average fee?

Mr. BALL. The average fee—do you have the figure on that?

Mr. FUTTERMAN. It varies.

Mr. BALL. The unit costs—\$42 is the 1963 estimate for medical examination. The \$41 was the previous—no, this is the whole medical, the whole cost per case, and it may involve, in the course of the development of a particular case, as many as two or three examinations.

Mr. FOGARTY. What is the average doctor's fee?

Mr. BALL. On the average doctor fees, I would like to supply it for the record, Mr. Chairman. But I would say about \$25.

Mr. FOGARTY. All right, supply it, and give us the highest and lowest figures.

(The information requested follows:)

STATEMENT ON HIGHS AND LOWS ON MEDICAL EXAMINATION COSTS

The cost of physician fees for medical examinations under the disability program is determined by State agency schedules. Fees vary with the type of examination and the State in which they are conducted. The range of fees runs from a low of \$5 for an otolaryngologic (ear) examination, for example, in Georgia and Kansas to a high of \$35 for an orthopedic examination of a specialized type in Nevada.

Fee schedules also provide separate fees for special laboratory tests or procedures in addition to the physician fee for examination. This range is from \$1 for a routine urinalysis, for example, in Maine, West Virginia, Virginia, Florida, Idaho, and Montana, to a high of \$63 for a kidney X-ray examination (retrograde pyelogram) in Arizona.

We have not kept records in a way which would permit us to supply readily an overall average fee per examination.

Mr. BALL. I am sure you recognize there is considerable variation, not only by area but by type of examination. These are consultant examinations. The individual supplies his own evidence first. But in doubtful and borderline cases, the Government will order an examination from a consultant. That is what we are talking about here.

Now, that will vary a great deal depending on what we ask a doctor to do. A psychiatric examination is one thing, a simple physical examination might be something else, or it might be pinpointed in a

way that made the work that the doctor did relatively inexpensive or quite expensive. I would say the average is around \$25.

Mr. FOGARTY. Would you hire a consultant to conduct a general physical examination of a person?

Mr. BALL. I did not mean it in the sense of a routine physical. I meant an examination that would be more general in character, but it was not a good example.

INCREASED COST OF MEDICAL SERVICES

Mr. FOGARTY. Mr. Laird.

Mr. LAIRD. Mr. Chairman, these costs have been going up from \$18 in the first year to about \$42; is that right?

Mr. BALL. A case. I think that would reflect—I think the \$18, Mr. Laird, that you have in your mind is the adjudicative costs exclusive of the medical.

Your point is correct, though, that the medical has gone up very significantly from a unit cost of \$26 in 1958 up to this request for \$42. And this would reflect, I believe, not only increases in fees but increases in the average number of examinations that we did on a case and even more the intensification of the examinations in the sense of asking for more information. It is not solely attributable to increased fees. And I did want to complete the other part of the answer—that some of the additional cost of the State operation in 1963 is the result of a small increase in the proportion of cases in which examinations are made.

Mr. FOGARTY. In connection with this question, why do you not put in the record a table showing the average costs since the program started?

(The information requested follows:)

Unit cost of medical costs (examinations, lab fees, etc.) (per case requiring examination(s))

Fiscal year:		Fiscal year:	
1956	\$18. 50	1960	\$36. 00
1957	23. 71	1961	39. 07
1958	26. 41	1962 (estimated)	41. 00
1959	30. 96	1963 (estimated)	42. 00

CONTROL OF FEE COSTS

Mr. LAIRD. The problem here is you are leaving it to the States to set these fees; you do not have anything to do with it. You just pay Federal money out of the trust fund, regardless of what the fee is.

Mr. BALL. Well, in a sense, I think that is fair, Mr. Laird. But we rely upon—

Mr. LAIRD. The States?

Mr. BALL (continuing). The fact that the Office of Vocational Rehabilitation has a hand, that the Federal agency has a hand in the State program in arriving at the fee schedules.

Mr. LAIRD. Well, you find from the Federal Vocational Rehabilitation Office that they have very little to do with setting these fees. You just pay the fees without any audit or anything else.

Mr. BALL. As to the amount of the fee. We audit, of course, as to whether the examination was conducted, and that sort of thing.

Mr. LAIRD. But as far as the fee is concerned—

Mr. BALL. As far as the fee schedule is concerned, we follow what the State has set up.

I would like to add, though, that it is our strong impression that the typical fee schedules that the vocational rehabilitation agencies have set are something below the going price that doctors would get for the same sort of thing, charged to a private patient.

Mr. LAIRD. Well, these cases are costing now, you estimated, over \$42. At the same time you are building up your budget this year and have over the last 2 years, to reexamine these determinations.

Mr. BALL. No, Mr. Laird, there is actually a decline in 1963 over 1962 in the requests for the Bureau's own review of disability cases—a slight decline, but it is not just going up and up. There is a slight decline.

INCREASE IN HEARINGS AND APPEALS ACTIVITY

Mr. LAIRD. When you started you had three attorneys in this area. I think in this budget that is before us now, you have over 250.

Mr. BALL. I do not know how many attorneys exactly, but there are in the Disability Division—they are engaged in large part in the review of State agency claims—somewhere around 1,000 people altogether in the Disability Division.

Now, of course, this, when we first started out, was mainly a policy job to get the program underway.

Mr. LAIRD. Well, I am talking about the appeal provision.

Mr. BALL. Oh, the appeals. I beg your pardon. I was thinking of the review of State agencies in the Bureau.

Mr. LAIRD. This is all a part of the program.

Mr. BALL. Yes, sir. The appeals have grown substantially as a result of the workload increase. And that is a result of two things that it is perhaps important to get before you.

When the disability program started out, in the original 1954 amendments there was only a "freeze" provision. The program did not pay any cash benefits. It just protected the rights of people to OASI benefits, if they were disabled, like a waiver of premium in private insurance.

Then the law was first amended to pay benefits to people aged 50 and over. And then the age 50 limitation was dropped.

In addition to that, the number of people who meet the insured status requirements under "Disability" has grown year by year very substantially. So that we have had increases in workloads and as the work has gone through the Bureau to the point where people are in a position to file appeals, the load on the organization of appeals has increased very significantly.

What they are struggling with right now is the effect of the removal of the over-50 limitation.

Mr. WYNKOOP. Mr. Laird, I might add that, in 1961, which was last year, we processed about 12,780 requests for hearings. That is in the Office of Hearings and Appeals. This year we estimate that we will have about 20,200; and in 1963 it will be about 25,000.

Now, as Mr. Ball pointed out, this is largely related to disability cases and the elimination of the limitation of age 50.

Now, this represents really a 20-percent increase in the number of cases processed between 1962 and 1963. However, we have only asked for a 6.3-percent increase in personnel, because the people that we had this current fiscal year that have been newly recruited will not be fully productive until 1963, so we expect a great deal more production next year than we will get out of them this year.

Mr. BALL. Mr. Laird, perhaps I should make clear for the record that the appeals organization is separately organized administratively from the Bureau of OASI, and it is directly under the Commissioner.

Mr. LAIRD. I understand that. But this is all a part of the cost that is charged to the trust fund.

Mr. BALL. Yes.

Mr. LAIRD. And it is also in this particular appropriation act.

Mr. BALL. Yes, sir.

PERSONNEL TRAINING

Mr. FOGARTY. What new personnel do you send to training classes in Baltimore?

Mr. BALL. Two types, principally. They are people hired for a job that we call claims representative in district offices, who typically are recent college graduates, and the work they are going to do when they are on the job is interviewing people and taking evidence of claims and adjudicating the claims in the district offices.

And the other large group, although smaller than that, are people in our payment centers who review the claims after they come from the district offices—the so-called claims authorizers.

Those two groups account for the people who have a preliminary, basic type of training in Baltimore.

Mr. FOGARTY. About how many per year are there in each group?

Mr. BALL. Well, this varies a great deal from year to year, depending on the recruitment going on, usually related to legislation.

Does anyone have the exact figures for last year?

Mr. FUTTERMAN. About 1,500.

Mr. BALL. They think it is about 1,500 for last year.

Now, last year was a very heavy recruiting year, as was the year before. Next year we would not be recruiting that many new people.

Mr. FOGARTY. Do they come from all over the country?

Mr. BALL. Yes, sir.

Mr. FOGARTY. Why could you not do much of this on a regional basis?

Mr. CHRISTGAU. We do.

Mr. FOGARTY. You do?

Mr. CHRISTGAU. Yes. We have what we call our training centers, where we have 13 weeks of intensive training. This Baltimore training is to give them the overall picture of the Bureau, the basic program, and an understanding of all areas of the operation.

Mr. FOGARTY. Well, they go up to the local training center and they come to Baltimore, too?

Mr. BALL. Yes.

Mr. CHRISTGAU. Yes.

Mr. TOUCHET. The training at Baltimore, Mr. Chairman, is what we call basic training. It is a real Bureau-wide training that forms the bedrock. Now, this is only a 3-week course at the present time and may be reduced somewhat.

Then there is an additional 13-week technical training course which is given in training centers throughout the country within the regions, several training centers within each region.

Mr. FOGARTY. I have heard it said by some of your own people, they thought we could save money if you decentralized more than you have. I do not know how far you can go, but I have heard it said.

Mr. BALL. Mr. Chairman, our experience has been—and this is under constant reexamination, the role of the Baltimore training—that as you say, there are some people who do not value it as highly as others.

Our feeling and experience has been that for people starting out—and this is the beginning rung of a career ladder that leads to managers' jobs, and to other jobs in the upper echelons of the Bureau—to have the opportunity in Baltimore to be taught by people expert in the basic program and its philosophy, its relation to other types of programs, how it fits into our whole welfare program, and have the opportunity to hear the top administrators of the program in special sessions, is highly desirable. This is not the type of thing that could be decentralized.

What you can decentralize best is the highly detailed technical training in adjudication. And that is what we have done.

Mr. FOGARTY. In other words, you do not think you can decentralize any more than you have?

Mr. BALL. I do not think we can decentralize this particular kind of training. You would have to a considerable extent give it up, if you were to decentralize further.

CHANGES IN ORGANIZATION

Mr. FOGARTY. When did you last make any significant change in your organizational structure?

Mr. BALL. Oh, just this last year we brought together in one division, the Division of Management, activities in the management field that had previously been in two divisions.

Mr. FOGARTY. Would you say that was a significant change?

Mr. BALL. Yes, sir.

Mr. FOGARTY. What was the other significant change before this last one of January 1961?

Mr. BALL. We first consolidated quite a bit into the two divisions, and then made them into one.

Mr. FOGARTY. Just supply for the record what organizational changes you have made in the last 10 years of any significance.

Mr. BALL. In the last 10 years, Mr. Chairman, it would be the setting up of the central planning—

Mr. FOGARTY. You can supply this for the record.

Mr. BALL. Yes, sir.

(The requested information follows:)

MAJOR ORGANIZATIONAL CHANGES IN THE BUREAU OF OLD-AGE AND SURVIVORS
INSURANCE, CALENDAR YEARS 1952-61, INCLUSIVE

ORGANIZATIONAL CHANGE

1952: None.

1953: None.

1954: 1. Division of Disability Operations was established to administer the disability program initially established by the 1954 Amendments to the Social Security Act. Major additional amendments to the disability program were made in 1956, 1958, and 1960. These amendments have broadened the scope of the program from the initial "freeze" provisions to a program for payment of benefits to disabled workers and their dependents. The Division performs both a staff and an operational function. In its staff capacity, its primary mission is to provide unified program, policy, and procedural leadership to disability operations in all organizational units of the Bureau and in State agencies under contract with the Bureau to make determinations of disability. The major part of the staff of the Division of Disability Operations is engaged in the operational function of reviewing determinations of disability made by State agencies in initial claims, requests for reconsideration of initial decisions, and determinations of continuing eligibility for benefits.

The Division of Disability Operations as initially organized was made up of the following special staffs and branches:

- (a) Medical consultant staff.
- (b) State operations staff.
- (c) Operations Standards Branch.
- (d) Disability Standards Branch (renamed Disability Policy in 1961).
- (e) Evaluation and Review Branch.

As the program expanded and workloads and management problems increased, the following branches were added:

(a) Reconsideration Branch, in 1957, to provide an organizational unit to handle requests for reconsideration of initial decisions separate from the organizational unit (Evaluation and Review Branch) responsible for processing initial decisions.

(b) Management and Analysis Branch, in 1958, to strengthen Division's management activities as responsibilities and workloads grew.

(c) Internal Audit Branch, in 1960, to provide a mechanism by which the Assistant Director of the Division of Disability Operations can assure himself of the soundness of the total divisional operation.

2. The Field Liaison and Survey Branch of the Division of Field Operations was abolished, and its function of periodic surveys and reviews of regional and district office operations was shifted to the two remaining branches of the Division.

1955: None.

1956: A Welfare Branch was established in the Division of Claims Policy to provide a focal point in the Bureau for developing and appraising policies with respect to the selection of representative payees for OASDI beneficiaries and for accounting for use of benefit payments by representative payees; for coordinating Bureau activities with other governmental and private agencies in resolution of common problems relating to children, the disabled, and the aged; and for establishing Bureau policy on nonbenefit services of beneficiaries.

1957: None.

1958: 1. A seventh payment center, the Baltimore center, was established in 1958. All work related to maintaining rolls of (a) beneficiaries living abroad and of (b) disability beneficiaries including the review of the nondisability issues of disability claims such as coverage, insured status, and age that was previously performed in six payment centers located throughout the country was transferred to the Baltimore Payment Center. In addition, the Baltimore Payment Center assumed responsibility for providing the operational staff of the Division of Disability Operations with mail and file service. With the centralization of all disability functions of the payment centers and the physical location of these operations next to those of the Division of Disability Operations, more rapid and effective servicing of disability claimants and beneficiaries has been achieved.

2. A Violations Branch was established in the Division of Claims Policy to provide a focal point in the Bureau for fraud control activities as opportunities and incentives for fraud multiplied with self-reporting of earnings, larger beneficiary rolls, and larger benefit amounts.

1959: 1. A Division of Public Information and Personnel Management was established in order to reduce the number of organizational units reporting directly to the Director and at the same time pull together a number of management and service activities. The organizations included in this consolidation were: Employee Health Service, Information Service, Division of Training, Division of Personnel and the Employee Communication Staff from the Division of Management Planning and Services (renamed Division of Administrative Management at this time).

2. A Central Study Staff (renamed Central Planning Staff) was created to perform long-range planning for and engineering of Bureau operations. The major effort of the staff since it was organized in 1959 has been in the planning and bureauwide coordination of an IDP system for the Bureau's claims operations.

1960: With the move to the new Social Security Building in Baltimore County, several functions such as char and guard service were transferred to the General Services Administration from the Bureau. About 190 positions were abolished in the Bureau (mostly in the Division of Accounting Operations) as a result of this transfer.

1961: 1. Division of Management was established by merging the functions of the Division of Public Information and Personnel Management (except for the public information activity) with the Division of Administrative Management. The purpose of this merger was to improve the interrelationship between the Bureau's management functions and administrative service activities, and to provide unified and more effective leadership in the management area.

2. Two new branches were added to the Division of Management later in 1961.

(a) A Telecommunications Management Branch was established to provide central direction and operation of the wire network system linking together all Bureau offices throughout the country.

(b) A Survey and Audit Branch was established to extend and strengthen the Bureau system of surveys and audits and to coordinate and improve these activities in the divisions.

3. A Foreign Claims Branch was established in the Division of Claims Control to bring together in one central office location most of the operating and staff activities relating to the administration of the OASDI program outside the United States. Operations include those previously performed in district offices and the Baltimore Payment Center, with the exception of the function of maintenance of beneficiary rolls which is still performed by the Baltimore Payment Center.

STATUS OF TRUST FUNDS

Mr. FOGARTY. What is the status of your two trust funds? Do you think there is any doubt about their soundness?

Mr. CHRISTGAU. The OASI trust fund is now some \$19,700 million, and the disability trust fund is about \$2.4 billion.

Mr. FOGARTY. Is there any question in your mind about the soundness of either one?

Mr. CHRISTGAU. No.

Mr. BALL. No, sir.

Mr. CHRISTGAU. The disability trust fund has been increasing.

The OASI trust fund during fiscal year 1961 gained a little. This current year it dropped down, and we expect during 1963 it will be a little under; that is, the outgo will be a little over the income.

But in 1964, and from then on, we expect it to pick up, and we see continual increases in the future.

Mr. FOGARTY. What year do you think the outgo will equal the income?

Mr. CHRISTGAU. Well, next year, 1963, would be pretty close—it would be about “even Stephen” next year.

Mr. FOGARTY. I remember several years ago, the year 2000 was used.

Mr. BALL. Mr. Chairman, the system is in very close balance over the long run.

Mr. FOGARTY. Is that right, 10 or 15 years ago?

Mr. BALL. Yes, that would be close. Benefits and contributions are estimated to be quite close not counting interest earnings.

Mr. FOGARTY. You were talking about the year 2000.

Mr. BALL. Yes.

If we can distinguish between this very short-run situation that Mr. Christgau referred to, where some of the legislative changes resulted in our having to pay more benefits right away—that is, the age 62 provision, for example—but without increasing the long-range costs. In other words, we are paying these men sooner and we are going to pay them less later on—that is what it amounts to. If you leave aside the short-range effects, the long-run actuarial situation of the OASI fund is that it is in very close actuarial balance. It is expected that the income to the fund will be greater than the outgo when you include the interest as income, practically indefinitely into the future, beginning after fiscal year 1963—taking even beyond the year 2000. Now, this is using the intermediate actuarial cost estimates.

Mr. LAIRD. Provided you do not increase benefits.

Mr. BALL. Certainly. It is an estimate under present law.

There is some allowance, though, Mr. Laird, in the way the estimates are made. There is this safety factor in it. If wages go up—general wage levels in the country go up—the system gains as a percentage of payroll. And since the estimates are based on the assumption of level wages, some increase in the level of benefits can take place if wages rise without any increase in the rate of contribution.

But, in general, your point is correct.

I just wanted to say that, because of the way these estimates are made, there is some leeway for liberalization of benefits under conditions of rising wages.

Mr. FOGARTY. Mr. Denton?

DISABILITY CLAIMS INVESTIGATION PROCEDURE

Mr. DENTON. Well, the situation I complained about last year in Indiana is largely cleared up, due very largely to change of personnel. And I want to thank you people for dealing with that situation.

I think it is a very bad situation, as I told you last year, to have the district office investigate the claim, then have the State department of rehabilitation investigate it, then have you review it here. That causes delay of about 90 days, and it causes the trust fund to lose about \$22 million to \$25 million a year.

Now, you cannot help that; I realize that. But the situation in Indiana, illustrates an added danger.

You knew what the problem was. The courts knew what the problem was. The main think I criticized you about is your refereeship. They did not give a man much relief when they saw a situation happen like that in Indiana, and did not correct it.

I know you cannot change the law. But I do think that that is a very bad law to administer, and it does have a great many defects.

Mr. CHRISTGAU. I think one of the problems which is inherent in the law, as you have indicated, is the strictness of the definition in the law. That means that a lot of people feel that they might be entitled to benefits and come in and file claims and then find their disability is not severe enough to make them entitled, and that creates a problem.

Mr. DENTON. It is the same law, of course, that applied to total disability in previous years.

That is all I have.

Mr. BALL. Mr. Denton, I wonder if I could take just a moment?

Mr. DENTON. All right.

Mr. BALL. In regard to the first part of your statement, certainly there are inherent in this arrangement of contracting out disability determinations to the State, some delays and probably some additional expense over a straight Federal operation. I would not want to quarrel with your conclusion on that. But the degree——

Mr. DENTON. I think your figures showed it costs \$22 million to \$25 million a year and about 90 days delay.

Mr. BALL. That is what I want to comment on: the degree that you are suggesting, I do not think would be really at all a fair assessment of the situation. The functions that are performed are almost entirely quite separate functions that would have to be performed in any event.

The district office of OASI helps the individual get together his own evidence. The State does not repeat this. And only occasionally would they contact the same source. They do something else.

Mr. DENTON. The State reviews it and you review what they do.

Mr. BALL. Yes. But when we review it, I would be suggesting that, even if you have a Federal operation as we do in OASI, we would review as we review the OASI claims that are taken in the district office. We review them in the payment center. I think it is part of prudent procedure to have a review.

Now, as I say, I am not quarreling with your conclusion that there is some delay and some overlapping, but not to anything like that extent.

Mr. DENTON. We had some testimony that it costs you \$22 million to \$25 million a year. It has been in the record this year. It comes out of the trust fund.

Mr. BALL. Yes. But I am just suggesting it is not a duplicating cost; it is a cost that one would have to have in large measure in any event.

Mr. DENTON. It just seemed to me it is a very inefficient system to have both the State and Federal Government passing on the same claims.

Mr. BALL. I merely want to make the point that we try very hard to avoid duplication in function, and the States do one thing and we do another.

Mr. DENTON. Of course, when you had a man like we had in Indiana, I will not say he did not believe in social security, but he did not think many claims should be allowed. It was an extremely bad situation.

Mr. BALL. We are very happy it has been cleared up satisfactorily.

EXAMPLE OF CASE REVIEW

Mr. DENTON. I think there is still some miscarriage of justice out there, but nothing like that situation that I complained about last year.

Mr. Christgau reviewed one case. The woman was a paraplegic and weighed about 200 or 300 pounds. They disallowed her claim and said she could sell pencils.

Mr. Christgau reviewed that, I know, and corrected it.

There was another man that was in a very bad accident and he could not ride in a car; and he could not walk. They disallowed that, and your referee upheld it. They took it to court and the court reviewed it, and the man got his benefits. Those are just some of the things that are going on.

But I think when the Government takes the money, it ought to be fair to a person and live up to its contract, just the same as you expect a private party to do. That is all.

PROPOSED SURVEYS

Mr. LAIRD. On page 57 of the justifications I noticed an item for nonrecurring work, \$497,323, for three surveys. Two of the surveys are for assessing the economic resources of OASDI beneficiaries. The third survey is to determine why some public assistance recipients cannot get OASDI benefits and why some OASDI recipients need public assistance.

What is the legislative authority for making these surveys?

Mr. BALL. Mr. Laird, the Social Security Act charges the Social Security Commissioner with the responsibility for studying the economic security of the American people and making recommendations for changes in the law to improve it.

Mr. MITCHELL. Section 702.

Mr. BALL. The three studies that you mentioned are aimed right at that purpose.

Mr. LAIRD. Well, how will the two surveys assessing the economic resources of OASDI beneficiaries differ?

Mr. BALL. Well, one of them is the kind that we have made fairly often in the past. The last one was in 1957, which takes a sample of your present beneficiaries, which involves people, of course, of all ages and all geographic locations, and looks at them as of one time.

For instance, you usually take a survey year and you look at their condition over that 12-month period in terms of their income and resources and living arrangements, and so on. But just for that 1 year.

1957 SURVEY

Mr. LAIRD. Well, in the survey you made back in 1957, you had a sample you used—

Mr. BALL. It was a representative scientific sample.

Mr. LAIRD. I understand you could not even draw any results from that study; you had to call in a man from the Department of Agriculture to try to make something out of these results. And some so-called consumer spending expert came over, and he was the man that had to interpret that survey.

Mr. BALL. Mr. Laird, I do not know what you are referring to, but that is not true of the 1957 survey of beneficiaries at all. We have had many results, published material. We have had no need to consult with anyone in the Department of Agriculture on it. It is a standard type of thing that we have done many times before.

Mr. LAIRD. You did not go to the Department of Agriculture and have them draw up the results from the information that you collected?

Mr. BALL. Certainly not in general. It is possible that, without my knowledge, there may have been some consultation with the Department of Agriculture on one aspect of this. But this is a very comprehensive survey.

(The following was subsequently submitted for the record:)

COOPERATION WITH THE DEPARTMENT OF AGRICULTURE

In our analysis of data from this Bureau's 1957 cross section survey of aged beneficiaries and mother-child beneficiaries, we did not require or receive assistance from anyone in the Department of Agriculture. The sample of beneficiaries in that survey was larger than the samples used in surveys of aged persons made by other research organizations, and was sufficiently large to enable us to make a variety of analyses, the results of which have been released in numerous reports.

Congressman Laird's comments could possibly have been based on the fact that in 1957 this Bureau provided the Department of Agriculture with the names and addresses of a small sample of aged beneficiaries in Rochester, N.Y., for their use in making a survey of food consumption by aged persons. We were informed that from its survey the Department of Agriculture obtained 282 completed and usable questionnaires. We have no knowledge of any problems that Department may have encountered in its analysis of the data it collected in that survey.

Mr. LAIRD. I know this survey has been used widely by the Social Security Administration.

Mr. BALL. And other groups as well.

Mr. LAIRD. And has been used to justify benefit increases, and also health care services under social security. This has been a basic survey that you have used in justification of these things; is that not correct?

Mr. BALL. It is one of several sources.

PROPOSED SURVEYS

Mr. LAIRD. Let us get back to these two surveys here, page 57.

Mr. BALL. Yes, sir.

Mr. LAIRD. How much will these cost?

Mr. BALL. On the one that takes the same group and follows them through year after year, we have \$163,000 included for that. I do not believe I completed the answer to your previous question.

The difference between this and what I described as the 1957 survey is that here you take the same group of retired people and follow them through for a 12-year period, to get how continuing under retirement, continuing on the rolls, affects them. We cannot get that information from just a one-time cross section look. That one will be \$163,000.

The survey of the cross sectional survey is \$144,000. And the survey that I was discussing in relation to the question from the chairman of finding out why some people on public assistance are not

eligible for old-age and survivors insurance, et cetera, would be \$66,000.

JUSTIFICATION

Mr. LAIRD. Explain to me why this survey is necessary. What is to be gained, now, by learning why some public assistance recipients cannot qualify for social security?

Mr. BALL. Mr. Laird, I think from almost the beginning, the congressional policy in social insurance has been:

Let us make a contributory work-related system do as much of the income maintenance job for older people and survivors and other dependents, as is reasonable and feasible to do, and, by that means keep down the need for relief and assistance out of general tax funds.

Now, here we are with a program that has been amended many times, and this survey would be designed to see if there are still places where the insurance program could do more good.

Let me give a concrete example: To what extent are people who are coming on public assistance today not entitled to old-age and survivors insurance because of a failure of coverage, say? Are there some parts of the working population not under OASI who substantially contribute to the need for public assistance? Are there deficiencies in benefit categories?

Let me give you an example of what might, just might, be a situation.

The present social insurance law covers children as dependents only if, by State law, they are a child of the wage earner for purposes of inheriting intestate personal property. So for some children who are dependent on a wage earner and living with him and being supported by him, we do not pay benefits under social insurance by reason of this definition.

Well, is there much to this or is it just a tiny thing that the Congress would not want to make any change about?

Mr. LAIRD. You cannot tell without making the survey?

Mr. BALL. I do not believe we can get the size of it. We cannot tell to what extent it has resulted in people coming on public assistance. And there may be unknown reasons that one would not speculate about before. I mean would not be anticipated, but which, from the study, would become clear.

An equally important aim of this study is to find out the reasons that people are getting OASI benefits that are so low that they need assistance supplementation. Is it because they have gaps in their coverage? Is there any change that would need to be made that would result reasonably in an adequate benefit to them? Or, on the other hand, is this a perfectly reasonable result and what you would expect the assistance program to do?

I think, in pursuance of the policy of having insurance do a basic job with public assistance providing supplementation, we might look at the programs after all the legislation that has gone on; it is kind of a cleanup survey to see that there are not significant areas where one might want to consider putting more on insurance and less on assistance.

UNIVERSAL COVERAGE

Mr. LAIRD. Why do we not just put everybody on the OASI benefit roles?

Mr. BALL. You mean from a coverage standpoint?

Mr. LAIRD. Yes. Why do we spend money studying all these little problems? Why do we not just put everybody under social security?

Mr. BALL. You know, on coverage, that has gone quite far, and the groups left out are very small. But from the standpoint of benefit categories you have situations like that of the children I described and you have disabled dependents; for example—

Mr. LAIRD. Why do we not just put everybody over 65 under this?

Mr. BALL. There is quite a considerable body of opinion in that direction, Mr. Laird.

Mr. LAIRD. You do not think it is a good idea?

Mr. BALL. I think there are important pros and cons on it. You were speaking of the plan to put people on, even though they have not made a contribution or worked under the program or are not dependents of people that had?

Mr. LAIRD. Yes. It might be a lot cheaper for us to do this than to make all these surveys all the time; let us make everybody eligible and get this out of the way. As long as you are working toward it, why not save the cost of doing it piecemeal?

Mr. MITCHELL. Well, this is tied to a contributory wage-related system, and to have people in it, they are supposed to be working and have a wage base that can be taxed and provide a basis for benefits.

Mr. LAIRD. Well, a few years ago we put farm people under it, and I supported putting them under it. But most of them who were in the sixties went under it after contributing for three quarters, or perhaps it was a year and a half. There was not a long history of their wage records. They were just all put under the system, and I do not think you people opposed that. Did you?

Mr. MITCHELL. You always find that in the beginning of the application of an insurance system to a group of employees. If a manufacturing concern decides to provide for the employees, it cannot wait for 2 or 3 generations to make it applicable.

Mr. LAIRD. This is your goal, in the final analysis. Why do we not just put everybody under it now instead of making all these surveys?

Mr. MITCHELL. As I said, you cannot put them all under if you want to have a wage-related system. They all have to have a history for wage-related benefits.

Now, once you have gone through, we will say, a period of 40 years of employment, these farm people that you refer to are going to wash out. So that everybody then will have been in the system during his entire working lifetime. And you have to get started, and you want to get started on the basis that in the future it is going to be sound.

Mr. LAIRD. One of the greatest problems I have when I get back to my district is that people, who are in the older age brackets but didn't happen to work in a covered area, as their neighbor did, aren't eligible and their neighbor is. There is that problem area. I see these people who had long periods of earning wages, where they worked for 20 or 30 years. And it is pretty difficult for me to explain how a man can

get on social security after spending a year and a half, and these people have had long periods of employment and aren't eligible. That is a pretty difficult thing to explain.

Mr. MITCHELL. As of a current period; I think there are situations that are difficult to explain.

QUALIFICATION OF FOREIGN NATIONALS

Mr. LAIRD. Then it is even more difficult for me to explain why we let people come over here on visas and qualify for social security and go back and live like kings in some foreign country.

I would like to have placed at this point in the record a list of all the social security payments made to foreign nationals. Bring the table from last year up to date.

Mr. BALL. Surely, Mr. Laird. Would you also like to have in the record at this point the provisions that govern those payments? Because there are special provisions that the Congress put in related to foreign payments that, by and large, except for reciprocal arrangements between some countries, limit the payments to people who have worked under the system or lived in the United States for a long period—10 years?

Mr. LAIRD. Yes; but a lot of people came over here and qualified for these benefits in a period of a year and a half, too. You know that.

Mr. BALL. Well, it was the thought that there might be a significant number like that that led to the amendment of the law.

Mr. LAIRD. You are still paying them.

Mr. BALL. Yes. Congress did not make it retroactive in terms of this long-term requirement. And of course there are also exceptions in terms of reciprocal arrangement between our country and another country. If they are willing to pay an American national when he leaves the country, we do the same thing.

Mr. LAIRD. Well, at the time of this amendment to include farmers, people were very anxious to get employment on farms in Wisconsin to get that year and a half credit. Then a great many retired as soon as they got that year and a half in, and they are still getting payments.

Mr. MITCHELL. Did you refer to foreign nationals?

Mr. LAIRD. Yes. These are people that came in here on visas.

Mr. MITCHELL. They are American citizens?

Mr. LAIRD. No.

Mr. MITCHELL. Well, if they are foreign nationals and they have not served 10 years—

Mr. LAIRD. I am talking about the people that are getting the payments right now under the farm amendment that were only here a year and a half. You are making quite a few payments in the area from just the little experience I have had in it, just from my area. I know these people did not work here for 10 years. You are talking about an amendment that was made after this was called to the attention of the Congress. There has been a change since that time.

Mr. BALL. These would have to be, of course, people in the older age groups. You remember that the six quarters only applies to people who were old when the program went into effect and was extended to the survivors' part of the program.

Mr. LAIRD. Some of these people were over 65 when they earned the credit.

Mr. BALL. Mr. Futterman suggests the foreign amendment was enacted in 1956, which is the year after the farm self-employed coverage was generally effective. There was farmworker coverage before.

Mr. LAIRD. I think you will find that the self-employed people were covered by that amendment, but the people that hired out as farmworkers were not covered by that amendment.

Mr. BALL. Yes. Some of them were covered at an earlier date—the farm laborers.

Now, there has been an exclusion, as you know, of foreign farm contract laborers they are excluded from social security coverage.

Mr. LAIRD. Well, I would like you to bring up to date the data on this that was in the record last year.

(The requested date follows:)

BENEFIT PAYMENTS OUTSIDE OF THE UNITED STATES

The following information is supplied: (1) Rules governing benefit payments outside of the United States; (2) number and amount of monthly benefits payable to beneficiaries outside of the United States as of June 30, 1961; and (3) number and amount of monthly benefits payable to beneficiaries as of December 31, 1960, classified by citizenship of worker on whose earnings benefits are based and citizenship of beneficiary. These are the latest available statistics of this kind.

RULES GOVERNING BENEFIT PAYMENTS OUTSIDE THE UNITED STATES

When an individual entitled to social security benefits leaves the United States, his eligibility to receive benefit payments can be affected by his citizenship, the extent of any employment or self-employment, and regulations of the Treasury Department which govern delivery of U.S. Government checks to certain countries.

Citizens of the United States

Citizens of the United States entitled to social security benefits can receive payment of such benefits outside the United States regardless of how long they remain abroad, subject only to restrictions on work and on regulations of the Treasury Department which govern delivery of checks to certain countries.

Noncitizens of the United States

Beneficiaries who are not citizens of the United States will not receive payment of their benefits after they have been outside the United States for more than six full consecutive calendar months unless any one of the following conditions exist:

(1) The beneficiary was eligible for a monthly benefit for the month of December 1956.

(2) The worker (the person on whose social security account the beneficiary is applying for benefits) lived in the United States for at least 10 years or earned at least 40 quarters of coverage under the Social Security Act.

(3) The worker had been in service covered by the Railroad Retirement Act which was treated as employment covered by the Social Security Act.

(4) The beneficiary is outside the United States while in the active military or naval service of the United States.

(5) The beneficiary is entitled as a survivor on the account number of a worker who either (a) died while in the military service of the United States, or (b) died as the result of a disease or injury incurred or aggravated in the military service of the United States, and he was discharged or released from such service under conditions other than dishonorable.

(6) The withholding of benefits would be contrary to an existing treaty obligation between the United States and the country of which the beneficiary is a citizen.

Such treaty obligations now exist between the United States and Italy, the Republic of Ireland, Greece, Israel, Japan, the Federal Republic of Germany, Nicaragua, and the Netherlands (with respect to payment of survivors benefits only).

(7) The beneficiary is a citizen of a country which the Secretary of Health, Education, and Welfare has found to have in effect a social insurance or pension system of general application which pays unreduced periodic benefits to citizens of the United States, otherwise eligible, when they leave that country, regardless of the duration of their absence.

Countries which have thus far been found to have such a social insurance system are: Austria, Bolivia, Chile, Panama, Turkey, United Kingdom, and Yugoslavia.

Countries which have thus far been found not to have such a insurance system are:

Afghanistan	Honduras	Paraguay
Andorra	Hungary	Peru
Argentina	Iceland	Philippines
Australia	India	Poland
Belguim	Indonesia	Portugal
Bhutan	Iran	Saudi Arabia
Burma	Iraq	Senegal
Cambodia	Jordan	Sierra Leone
Canada	Laos	Singapore
Ceylon	Lebanon	Somali Republic
Colombia	Liberia	South Korea
Cuba	Libya	Spain
Cyprus	Luxembourg	Sudan
Czechoslovakia	Malaya	Sweden
Denmark	Mali, Republic of	Switzerland
Dominican Republic	Mauritania	Syria
Egypt	Mexico	Thailand
El Salvador	Morocco	Togo
Ethiopia	Nepal	Tunisia
Finland	Netherlands	Union of South Africa
Formosa	New Zealand	Uruguay
France	Niger, Republic of	Venezuela
Ghana	Nigeria	Vietnam
Guatemala	Norway	Yemen
Haiti	Pakistan	

If any one of the above seven conditions exist with respect to an alien beneficiary, he will receive payment of his benefits regardless of how long he remains outside the United States, subject only to restrictions on work and on regulations of the Treasury Department which govern check deliveries to certain countries.

Restrictions on work while abroad

The payment of old-age and survivors benefits to individuals under age 72 is conditioned upon their substantial retirement from work whether they are within or outside the United States. The test of retirement which applies to beneficiaries who are working abroad in employment or self-employment which is not covered by the U.S. Social Security System is known as the 7-day work test. This test provides that where a beneficiary under age 72 either performs service as an employee or carries on a trade or business on any part of 7 or more days in a month, he is not eligible to receive a social security benefit for such month regardless of the amount of his earnings.

Treasury Department regulations

Regulations of the Treasury Department prohibit the delivery of all Federal checks or warrants to a country when the Secretary of the Treasury determines that, due to the internal conditions of such country, there is no reasonable assurance the payees will receive the checks or be able to negotiate them for full value. At the present time social security benefit checks are not being sent to the following countries: Albania, Bulgaria, Mainland China, Czechoslovakia, East Germany (including East Berlin), Hungary, North Korea, and the Union of Soviet Socialist Republics (including Estonia, Latvia, and Lithuania.)

Number and amount (dollars) of monthly benefits¹ in current-payment status as of June 30, 1961, payable to beneficiaries living abroad, by type of benefit and by country or continent—Continued

Beneficiary's place of residence ²	Total			Disability ⁴	Wife's or husband's			Child's ⁵			Widow's or wid- ower's	Mother's	Parent's
	Total	OASI ³	Disa- bility insur- ance ³		Total	OASI ³	Disa- bility insur- ance ³	Total	OASI ³	Disa- bility insur- ance ³			
Europe—Continued													
Germany:													
Number.....	5,527	5,410	117	3,920	540	530	10	265	260	5	570	118	12
Monthly amount.....	393,441	382,959	10,482	303,305	22,278	21,834	444	14,434	14,219	215	35,144	7,611	846
Greece:													
Number.....	10,589	10,412	177	6,659	1,715	1,689	26	779	755	24	1,148	122	39
Monthly amount.....	692,575	678,980	13,595	524,944	61,141	60,103	1,038	28,876	27,927	949	57,234	6,574	2,198
Ireland:													
Number.....	2,977	2,895	82	2,131	237	231	6	189	182	7	263	60	28
Monthly amount.....	205,414	198,413	7,001	161,364	9,195	8,913	282	8,620	8,379	241	14,550	3,509	1,698
Italy:													
Number.....	26,100	25,431	669	14,427	5,635	5,528	107	956	902	54	4,269	242	63
Monthly amount.....	1,675,688	1,620,091	55,597	1,134,736	206,853	202,468	4,385	40,326	38,061	2,265	226,064	14,659	4,103
Malta:													
Number.....	275	248	27	149	40	39	1	26	26	0	26	7	1
Monthly amount.....	20,371	17,679	2,692	12,762	1,566	1,537	29	1,305	1,305	0	1,596	432	47
Netherlands:													
Number.....	526	523	3	343	80	79	1	23	23	0	67	11	0
Monthly amount.....	35,686	35,445	241	26,086	3,160	3,114	46	1,383	1,383	0	4,150	712	0
Norway:													
Number.....	2,639	2,576	63	1,745	409	399	10	95	87	8	304	35	6
Monthly amount.....	182,894	177,797	5,097	136,969	16,346	15,978	418	5,056	4,770	286	17,481	2,241	358
Poland:													
Number.....	963	955	8	280	211	209	2	16	16	0	440	7	3
Monthly amount.....	57,444	56,802	642	21,582	8,772	8,688	84	875	875	0	24,957	509	191
Portugal:													
Number.....	2,457	2,341	116	1,331	537	515	22	160	143	17	316	30	6
Monthly amount.....	156,426	147,049	9,377	104,001	19,700	18,734	966	5,680	4,907	773	17,497	1,483	427
Spain:													
Number.....	2,632	2,547	85	1,602	429	417	12	136	124	12	373	25	6
Monthly amount.....	188,489	181,413	7,076	136,813	17,111	16,641	470	5,606	5,163	443	20,988	1,383	425
Sweden:													
Number.....	2,678	2,631	47	2,018	279	275	4	42	40	2	276	18	4
Monthly amount.....	193,794	189,609	4,185	157,821	11,623	11,464	159	2,367	2,277	90	16,674	1,110	263
Switzerland:													
Number.....	973	954	19	725	87	86	1	40	39	1	88	14	2
Monthly amount.....	71,849	70,070	1,779	58,036	3,793	3,754	39	2,102	2,059	43	5,284	813	124
United Kingdom:													
Number.....	5,595	5,492	103	3,268	526	510	16	770	735	35	723	245	11
Monthly amount.....	379,805	373,404	6,401	254,606	22,912	22,389	523	38,807	37,716	1,091	43,695	14,324	674
Yugoslavia:													
Number.....	3,636	3,570	66	1,389	835	826	9	120	114	6	1,210	21	10
Monthly amount.....	222,137	16,711	5,426	112,826	32,151	31,770	381	4,183	3,954	229	66,288	1,156	717

Other:	155	1	79	1	18	0	18	0	34	5
Monthly amount.....	10,052	33	5,987	33	724	0	949	0	2,035	324
Mexico:										
Number.....	4,009	124	1,315	78	344	13	1,586	33	208	411
Monthly amount.....	207,391	8,788	98,847	7,341	11,552	486	55,354	961	11,187	19,106
Occania:										
Number.....	513	497	174	5	26	3	214	8	31	61
Monthly amount.....	30,000	29,214	12,929	515	894	61	10,339	210	1,812	3,392
Australia:										
Number.....	421	405	141	5	22	3	174	8	27	50
Monthly amount.....	24,779	23,993	10,368	515	769	61	8,639	210	1,534	2,835
Other:										
Number.....	92	92	33	0	4	0	40	0	4	11
Monthly amount.....	5,221	5,221	2,561	0	125	0	1,700	0	278	557
Philippine Islands:										
Number.....	5,117	4,959	1,425	95	653	21	1,758	42	357	709
Monthly amount.....	231,340	221,987	102,757	8,028	20,760	624	49,949	701	16,556	27,017
South America:										
Number.....	742	730	303	4	73	1	157	7	73	34
Monthly amount.....	48,384	47,612	30,752	374	3,063	36	7,789	332	4,007	1,839
Argentina:										
Number.....	184	183	109	1	909	0	20	0	22	8
Monthly amount.....	12,540	12,424	8,756	116	222	0	938	0	1,179	500
Brazil:										
Number.....	164	160	86	1	15	0	35	3	16	8
Monthly amount.....	10,920	10,658	6,832	84	619	0	1,771	178	867	556
Other:										
Number.....	394	387	198	2	36	1	102	4	35	18
Monthly amount.....	24,924	24,560	15,164	174	1,535	36	5,080	154	1,961	833
U.S. possessions:										
Number.....	167	161	62	4	11	2	68	0	19	3
Monthly amount.....	9,654	9,169	4,362	397	309	88	3,325	0	1,044	129
Canal Zone:										
Number.....	165	159	61	4	11	2	67	0	19	3
Monthly amount.....	9,546	9,061	4,298	397	309	88	3,281	0	1,044	129
Other:										
Number.....	2	2	1	0	0	0	1	0	0	0
Monthly amount.....	108	108	64	0	0	0	44	0	0	0

¹ A person receiving both an old-age (retired-worker) benefit and a secondary survivor benefit, or an OASI secondary life benefit that was awarded, reinstated, or adjusted after September 13, 1956, is represented only once—under old-age benefits—and the old-age benefit amount includes the reduced secondary benefit. A person receiving both a disability (disabled-worker) benefit and a disability insurance secondary benefit is represented only once—under disability benefits—and the disability benefit amount includes the reduced secondary benefit.

² Based on monthly benefit check address. All benefit payments were being withheld on June 30, 1961, from beneficiaries living in the following countries in which conditions were such that there was no reasonable assurance that the payee would actually receive the check and be able to negotiate it: Albania, Bulgaria, China, Czechoslovakia, Germany (Russian Zone), Hungary, North Korea, and the Union of the Soviet Socialist Republics.

³ Benefits under the old-age and survivors insurance (OASI) parts of the old-age, survivors, and disability insurance program are payable from the OASI trust fund to old-age (retired-worker) beneficiaries and their dependents and to survivors of deceased

workers. Benefits under the disability insurance part of the program are payable from the disability insurance trust fund to disability (disabled-worker) beneficiaries and their dependents.

⁴ Payable to disabled workers under age 65.

⁵ Includes benefits payable to disabled persons age 18 or over—dependent children of deceased, disabled, or retired insured workers—whose disability began before age 18.

⁶ Benefit checks for the months of December 1960 through July 1961 for beneficiaries living in Cuba were withheld temporarily pending completion of new arrangements for their delivery. In August, delivery of checks was resumed upon receipt of evidence of the beneficiary's continuing eligibility.

⁷ Excludes American Samoa, Guam, Puerto Rico, and the Virgin Islands.

U.S. Department of Health, Education, and Welfare, Social Security Administration, Bureau of Old-Age and Survivors Insurance, Division of Program Analysis, Actuarial Branch, October 1961.

TABLE 2.—*Number and amount of old-age and survivor monthly benefits¹ in current-payment status as of Dec. 31, 1960, payable to beneficiaries living abroad, by country or continent and by (1) citizenship of worker on whose earnings benefits are based and (2) citizenship of beneficiary*

Beneficiary's place of residence ²	Total			Beneficiaries classified by citizenship of worker ³						Beneficiaries classified by citizenship of beneficiary ³					
	Num-ber	Monthly amount		Citizen			Alien			Unknown		Citizen		Alien	
				Num-ber	Monthly amount		Num-ber	Monthly amount		Num-ber	Monthly amount	Num-ber	Monthly amount		
Total.....	98,791	\$6,199,186		43,836	\$3,025,623		46,530	\$2,786,106		8,425	\$387,457	33,320	\$2,510,032	65,471	\$3,689,154
	100	100		44	49		47	45		9	6	34	40	66	60
Africa.....	852	\$54,030		429	\$28,074		354	\$22,986		69	\$2,980	327	\$23,773	525	\$30,257
Cape Verde Islands.....	463	28,341		223	14,007		203	12,987		37	1,347	153	11,171	310	17,170
Madeira Islands.....	152	9,987		73	4,936		67	4,576		12	475	50	3,936	102	6,061
Other.....	237	15,702		133	9,121		84	5,423		20	1,158	124	8,666	113	7,086
Asia.....	6,134	373,400		1,661	110,259		3,964	241,492		509	21,649	1,352	96,277	4,782	277,123
Cyprus.....	149	8,944		24	1,892		103	6,032		22	1,020	14	1,183	135	7,761
Hong Kong.....	657	35,457		244	14,773		277	15,176		136	5,208	156	11,032	501	24,425
Israel.....	733	30,556		329	44,820		63	3,487		41	2,249	604	44,071	129	6,485
Japan.....	3,226	198,585		280	17,661		2,787	174,499		159	6,435	190	12,740	3,036	185,845
Jordan.....	145	6,208		83	3,819		41	1,725		21	2,004	46	2,694	99	3,514
Lebanon.....	438	26,024		207	13,425		188	10,586		43	2,013	165	11,493	273	14,531
Ryukyu Islands.....	302	16,000		17	787		261	14,249		24	964	11	1,525	291	15,475
Turkey.....	170	11,364		35	2,922		121	7,942		14	500	32	2,750	138	8,614
Other.....	314	20,262		142	10,170		123	7,796		49	2,296	134	9,789	180	10,473
Canada.....	12,955	756,555		5,110	343,929		6,989	370,751		856	41,875	4,352	305,050	8,603	451,505
Central America and West Indies.....	1,822	117,739		1,013	68,221		692	43,780		117	5,738	846	59,798	976	57,941
Barbados.....	203	14,252		123	8,977		69	4,754		11	521	107	8,064	96	6,188
British Leeward Islands.....	241	15,251		133	8,864		90	5,547		18	860	112	7,743	129	7,508
Cuba.....	295	18,236		151	10,250		124	7,050		20	936	149	10,063	146	8,173
Jamaica.....	465	31,638		228	16,768		220	14,108		17	782	191	14,838	274	16,820
Other.....	618	38,342		378	23,362		189	12,321		51	2,659	287	19,090	331	19,252
Europe.....	67,155	4,410,947		32,433	2,300,696		29,273	1,850,964		5,449	259,287	24,353	1,899,373	42,802	2,511,574
Austria.....	752	52,364		531	38,591		188	12,129		33	1,644	514	37,738	238	14,626

Belgium.....	417	28,501	227	16,597	167	10,592	23	1,312	207	15,725	210	12,776
Denmark.....	615	43,759	324	24,851	267	17,336	24	1,572	263	23,093	322	20,666
Finland.....	466	30,901	202	13,767	231	15,477	23	1,657	140	10,475	326	20,426
France.....	1,161	81,146	636	45,926	471	32,288	54	2,932	595	43,221	566	37,925
Germany.....	5,087	357,019	3,088	229,985	1,711	110,863	288	16,171	2,837	216,428	2,250	140,591
Greece.....	10,077	655,112	5,598	398,043	3,676	223,064	803	34,005	4,272	340,151	5,805	314,961
Ireland.....	2,762	187,121	1,824	127,393	834	54,089	104	5,639	1,626	117,127	1,136	69,984
Italy.....	24,794	1,572,278	10,641	737,242	12,104	742,786	2,049	92,250	6,959	557,838	17,835	1,014,440
Malta.....	234	16,724	101	8,444	118	7,455	15	825	70	6,590	164	10,134
Netherlands.....	494	33,634	252	18,208	187	12,142	55	3,284	220	16,794	274	16,840
Norway.....	2,442	106,314	1,269	92,978	1,050	66,939	123	6,397	1,079	82,888	1,363	83,426
Poland.....	919	54,630	321	20,975	302	19,354	296	14,301	104	8,322	815	46,308
Portugal.....	2,287	142,551	471	35,024	1,628	99,070	188	8,457	322	27,450	1,965	115,101
Spain.....	2,421	172,092	900	70,550	1,362	93,073	159	8,469	664	58,484	1,757	113,608
Sweden.....	2,540	182,065	975	74,737	1,472	102,250	93	5,078	859	68,072	1,081	113,968
Switzerland.....	873	63,638	544	40,847	204	20,873	35	1,918	528	40,217	345	23,421
United Kingdom.....	5,208	351,873	2,875	195,109	2,034	139,986	299	16,778	2,293	163,688	2,915	188,185
Yugoslavia.....	3,471	210,274	1,571	105,240	1,135	68,926	765	36,108	883	58,877	2,783	151,397
Other.....	135	8,951		6,189	42	2,272	10	490		6,195	52	2,756
Mexico.....	3,572	184,266	1,403	80,435	1,726	86,526	443	17,305	975	62,453	2,597	121,813
Oceania.....	478	28,051	342	19,708	109	7,072	27	1,271	269	15,714	209	12,337
Australia.....	390	23,106	280	16,449	88	5,597	22	1,060	218	12,968	172	10,138
Other.....	88	4,945	62	3,259	21	1,475	5	211	51	2,746	37	2,199
Philippine Islands.....	4,796	212,478	763	33,191	3,202	147,626	831	31,661	258	12,413	4,538	200,065
South America.....	708	46,920	415	27,915	214	14,468	79	4,537	366	25,624	342	21,296
Argentina.....	178	12,204	111	8,075	49	3,275	18	854	112	8,073	66	4,131
Brazil.....	151	10,128	94	7,134	31	1,544	26	1,450	79	6,159	72	3,969
Other.....	379	24,588	210	12,706	134	9,649	35	2,233	175	11,392	204	13,196
U.S. possessions ⁴	319	14,800	267	13,205	7	441	45	1,154	270	13,405	49	1,395
Canal Zone.....	149	8,636	140	8,163	1	84	8	389	140	8,228	9	408
Guam.....	119	4,732	115	4,513	1	84	3	135	118	4,648	1	84
Other.....	51	1,432	12	529	5	273	34	630	12	529	39	993

¹ Data not available on the citizenship status of disabled-worker beneficiaries and their dependents—about 2,000—residing abroad at the end of 1960.

² Based on monthly benefit check address. All benefit payments were being withheld on Dec. 31, 1960, from beneficiaries living in the following countries in which conditions were such that there was no reasonable assurance that the payee would actually receive the check and be able to negotiate it: Albania, Bulgaria, China, Czechoslovakia, Germany (Russian zone), Hungary, North Korea, and the Union of Soviet Socialist Republics.

³ Distributions by citizenship of worker and of beneficiary are based on data from a survey made as of April 1959.

⁴ Excludes Puerto Rico and Virgin Islands.

Source: U.S. Department of Health, Education, and Welfare, Social Security Administration, Bureau of Old-Age and Survivors Insurance, Division of Program Analysis, Actuarial Branch, March 1961.

CONSOLIDATION OF WELFARE AND SOCIAL SECURITY

MR. KELLY. Mr. Laird, I would like to comment on one statement that you made. I commented on it earlier to Mr. Denton—that it may eventually develop that, as a matter of public policy, it will be determined that you will blanket all of the old-age cases in, even though they did not have coverage. But I think it would be a mistaken impression to believe that this would be an economical arrangement. This would be a far more expensive arrangement than the current arrangement of paying public assistance only to the needy, as distinguished from paying benefits to all persons over age 65; and also, it would become completely a Federal obligation, where those with respect to the needy is now a shared obligation between the States and the Federal Government.

MR. LAIRD. I am not for doing this without the Federal Government making a contribution to the social security system. I realize the costs that are involved, and I realize that it would take a contribution to the system.

MR. KELLY. Which would be a great contribution, greater than are made to the social security now.

MR. DENTON. Would you yield on that?

MR. LAIRD. Yes, sir.

MR. DENTON. I have asked the same things Mr. Laird has on that, and I know when we passed the original law, it was supposed to be a stopgap. We were all told it was just a stopgap. And they said eventually everybody would be under social security. But they said some people were too old to get under social security, and they were taken care of by welfare.

We have gone on for 30 years now, and the situation is just the same.

Here is what worries me about it. I think we ought to train welfare workers. I think they are dedicated people, and I think that they are poorly paid. I think that they should be trained. I am just afraid we are building up a Frankenstein which is going to make it very hard to consolidate the two systems, which at the outset was the plan. It is disturbing to me that we have not made more progress.

MR. BALL. Could I comment on that, Mr. Denton?

MR. DENTON. Yes.

OLD-AGE ASSISTANCE

MR. BALL. The Chairman and Commissioner were speaking about this before. I think it only fair to say that in the areas where the insurance system has operated—that is, old age and survivorship, and has been in effect for a while—very substantial progress has been made in reducing the need for assistance. If you take the rate per thousand of people who have to go on old-age assistance, it has dropped really very significantly.

MR. DENTON. Since I have been on the committee, the amount of money the Government has spent on that has gone up from \$1 billion to \$2.6 billion per year.

MR. BALL. Yes. In this old-age assistance area, as the Commissioner said—the total population of the aged has grown so much, and even so, there was a slight decline in the absolute number on assistance. But prices, and to an extent, the level of assistance has gone up. And that accounts for the money increase, at the same time that the insur-

ance system has been doing what it was designed for—reducing the costs or keeping them much lower than they otherwise would be and reducing the numbers who have to take assistance.

AID TO DEPENDENT CHILDREN

Now, the aid to dependent children program used to be primarily a program for orphans, and the thought was that the program was set up very largely to take care of children whose parents have died. At the present time only about 10 percent of those on the aid to dependent children program are orphans. And that is because the insurance program pays most of the orphans. The growth of the program has been in areas that the insurance program does not deal with—separation, and that sort of thing.

SHARING COST OF RESEARCH

Mr. LAIRD. I got off the subject here. I was talking about these nonrecurring work items; the three surveys you propose.

How does the public assistance budget reflect its share of the cost of this thing? Are you going to charge this study entirely to the social security trust fund?

Mr. BALL. No. There are some Bureau of Family Services costs in this, I am sure. But the field work, which is the most expensive part, is borne by the Bureau of Old-Age and Survivors Insurance, on the theory that this is a study that is primarily aimed in the direction of seeing whether there are changes in the insurance program that ought to be made.

Mr. LAIRD. Where does this show up in the public assistance budget, Mr. Kelly?

Mr. KELLY. I do not know, Mr. Laird. I will have to get the information for you.

Mr. TRUELSON. Mr. Laird, a specific item of this is not included in our budget estimate. However, the time that would be devoted by our staff in assisting it in this work would be our share of the overall costs of the project.

Mr. LAIRD. It seems to me you are loading this all on the social security trust fund.

Mr. BALL. I would think certainly a major part would be borne by the insurance trust fund, as it is directed at changes in the insurance program. I think that would be the rationale.

Mr. LAIRD. I should think the public assistance budget should bear a part of these costs. Just because these are trust funds, is no reason to be less careful about spending them.

Mr. BALL. One would have to be just as careful.

Mr. LAIRD. I would like to see the costs that are going to be borne by public assistance and what is going to be taken from the trust fund.

Mr. BALL. We can supply that.

(The following was subsequently submitted for the record :)

JOINT STUDY OF THE BUREAU OF OLD-AGE AND SURVIVORS INSURANCE AND THE
BUREAU OF FAMILY SERVICES

In fiscal year 1963, the Bureau of Old-Age and Survivors Insurance, with the cooperation of the Bureau of Family Services, will conduct a study to find out why some public assistance recipients do not receive OASDI benefits and why some OASDI beneficiaries need public assistance. A one-page questionnaire will be completed by the Bureau of Family Services (through the State agencies) for each new old-age assistance recipient for 1 month—estimated at 25,000. Five thousand of these will be the sample used. The Bureau of Old-Age and Survivors Insurance is responsible for designing the schedules, conducting the followup home interviews, tabulating and analyzing the data, and preparing the report.

Identified in the 1963 appropriation request of the Bureau of Old-Age and Survivors Insurance is an estimate of \$66,000 for home interviews with 5,000 old-age assistance recipients to be performed by the staff of the Bureau's district offices. Inasmuch as the staff of these offices is budgeted for on the basis of measurable workloads and production rates, any work in addition to the estimated program workloads is identified as an added cost item in the appropriation request. In addition to the \$66,000 for the home interviews, the Bureau of Old-Age and Survivors Insurance will incur an estimated \$21,000 for :

- | | |
|---|----------|
| 1. Verifying account numbers, correcting account numbers, producing earning records----- | \$3, 000 |
| 2. Referring to payment center folders for certain information----- | 1, 000 |
| 3. Preparing specifications and tabulation plans, punching cards, summarizing and preparing final tables----- | 10, 000 |
| 4. Final analysis and report writing----- | 7, 000 |

The work itemized above will be performed by employees in the Bureau's central office who occupy positions in the area of statistical services and program research and are budgeted for on a position basis. No increase in positions has been requested for the specific purpose of this study.

No additional funds will be requested by the Bureau of Family Services for this study. However, the costs of the study to borne by the Bureau of Family Services and the State agencies amounts to an estimated \$64,500.

This estimate is based on the following :

1. For preparation of identification schedules, \$62,500 of which the Federal share would be \$31,250. This is based on an estimated 25,000 schedules at a cost of \$2.25 per schedule. The estimate does not make provision for the fact that it may be necessary to review and edit the identification schedules and refer some of them back to the local offices for correction. To the extent this is necessary, added costs will be incurred.
2. For approximately 400 hours of staff time in the Bureau of Family Services in connection with the study, \$2,000.

USE OF CONSULTANTS

Mr. LAIRD. Now, in the justification you state that you were going to make a greater use of consultants in the area of operations research. Why do you need to make greater use of consultants in operations research? Do you not have qualified people on your staff to plan and carry out this research?

Mr. BALL. Not to the extent that we think it is needed in the next couple of years, Mr. Laird.

The Bureau is going ahead in the application of IDP and electronics to the claims process which will have important long-range effects on the organization and operation of the Bureau. We need help from outside in analyzing the problems and the alternatives. There are special skills in the area of operations research, principally in the area of mathematics that would be helpful. The application of mathematical techniques to administrative programs requires, as I

say, experienced people that we do not have. And our hope is, and our plan is, in addition to the use of some outside consultants working on specific problems, in the next 2 or 3 years that these people will work with our staff to develop a capability on the part of our own people to continue this kind of research in the years ahead.

In other words, one of the main aims in hiring these outside people for operations research is to get ourselves in the position that we can do it in future years. But I have to say that we just really do not have fully qualified people to the degree needed to conduct that kind of research now.

Mr. TOUCHET. May I add something to that, Mr. Laird? I am not sure that this is pertinent, but it may well be.

The term "Operation Research" is a proper name here. It is not just research in operations such as we turn out day by day and do have a staff for. This is a technique involving the use of mathematics, a greater use of mathematics, fortified by the potentiality of use of electronics for analytical purposes which would permit us to accomplish certain studies which we had not been able to do before. And this, very briefly, is the nature of operations research, a special type of approach, a specialized body of techniques.

In our position right now in IDP and EDP as we are extending this new system into the claims process, we are very much in need of this advanced technique. This is not ordinary research into operations. It is the proper name.

Mr. LAIRD. Well, I would like to have supplied for the record a list of all the consultants that have been used in the past 2 years by the Bureau of Old Age and Survivors Insurance, and how much each has received.

Mr. BALL. Mr. Laird, we have had very few consultants, other than medical doctors. In the list that we supplied the committee, the number of others is really very small. We have, for instance, a Medical Advisory Committee that is representative of specialties, particularly in the medical field, whom we consult with on the establishment of policy, and they are on consultants' contracts to meet with us very occasionally. Several of them are quite distinguished medical research people, and I would be glad to supply something about what they have done independently, if that is the kind of thing that you have in mind.

Mr. LAIRD. Yes; I want to find out too just how many contracts you have in this particular area with consultants.

You are talking about making greater use of consultants in the area of operations research. I want to find out what you are doing now, you see.

Mr. BALL. I think that was probably a bad term. We do not have anybody in the area of operations research at all.

Mr. CROOKS. We will, this year.

Mr. BALL. We have a contract right now. It just started. And next year it will be somewhat larger. I guess that is the reason for the use of the word "greater."

Mr. LAIRD. Who is the contractor this year?

Mr. BALL. Dunlap Associates is the name.

Mr. LAIRD. Where are they located?

Mr. TOUCHET. Stamford, Conn.; they are quite a large organization.

Mr. BALL. We will be very happy to supply for the record a list of all consultants for the past year. None has been in the area of operations research until this time.

Mr. TOUCHET. Except for the one, Bob.

Mr. BALL. Oh, yes, we had a preliminary study that led to this contract. I am glad Mr. Touchet reminded me—by Johns Hopkins University.

Mr. LAIRD. Well, you can supply that for the record.

(The information requested follows:)

CONSULTANTS USED BY THE BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

I. CONSULTANTS USED IN DISABILITY PROGRAM

A. *Medical Advisory Committee*

1. Purpose and contributions of Committee: The Medical Advisory Committee was appointed in February 1955 by the Commissioner of Social Security. It was established (1) to advise on the medical aspects involved in administering the disability provisions of the Social Security Act enacted in 1954; (2) to present viewpoints of medical and other professional groups on proposed policies and methods of operation; and (3) to help interpret program provisions and operating objectives to medical groups and to the public. The Committee membership is drawn from all parts of the country and consists of prominent representatives from medical and related professions having a common interest in the problems of the disabled.

One of the Committee's main functions has been to provide professional guidance in the formulation of medical criteria for evaluating disability. Other subjects on which the Committee has been consulted concern the kinds of evidence of disability required; methods of obtaining such evidence including circumstances under which additional medical evidence may be purchased at program expense; the effects of social, economic, educational, and other nonmedical factors in assessing the degree of disability of a given individual; and efforts toward encouraging disability claimants to return to work.

More recently, a subcommittee of this group made a special review of methods for improving the quality of documentation and adjudication of disability claims. Larger amounts of compensation were paid to the Chairman of the Committee and members of the subcommittee who rendered additional services beyond that of other members.

2. Names of members, occupation, and amounts paid in calendar years 1960 and 1961:

Members	Fees received	
	Calendar year 1960	Calendar year 1961
Pearl Bierman, medical care specialist, American Public Welfare Association, Chicago, Ill.	\$250	\$400
Philip D. Bonnet, M.D., administrator, Massachusetts Memorial Hospitals, Boston, Mass.	250	400
Donald A. Covalt, M.D., professor of physical medicine and rehabilitation, New York University Medical School, New York City.	250	400
Francis J. Cox, M.D., associate clinical professor of orthopedic surgery, University of California Medical School; clinical professor of orthopedic surgery, Stanford University, San Francisco, Calif.		400
E. Perry Crump, M.D., professor of pediatrics and chairman of department of pediatrics, Meharry Medical College, Nashville, Tenn.		
Michael M. Daeso, M.D., director, department of physical medicine and rehabilitation, Goldwater Memorial Hospital; associate professor of clinical physical medicine and rehabilitation, New York University College of Medicine, New York City.		
Charles L. Farrell, M.D., medical consultant, Blackstone Valley Gas & Electric Co., Pawtucket, R.I.; secretary, Rhode Island Medical Society Physicians Service.	250	800
Jean Spencer Felton, M.D., professor of occupational health, University of California, Los Angeles.	250	400
J. Duffy Hancock, M.D., professor of surgery, University of Louisville School of Medicine, Louisville, Ky.	250	
Herman E. Hilleboe, M.D., commissioner, department of health, Albany, N.Y.	250	
Lemuel C. McGee, M.D., medical director, Hercules Powder Co., Wilmington, Del.	250	800
Gordon McHardy, M.D., clinical professor of medicine, Louisiana State University School of Medicine, New Orleans, La.		400
Kenneth E. McIntyre, M.D., internist specializing in metabolic diseases, Pontiac, Mich; formerly director, Metropolitan Hospital Clinics, Detroit, Mich.	250	400
Robert Morris, D.S.W., associate professor, The Florence Heller Graduate School for Advanced Studies in Social Welfare, Brandeis University, Waltham, Mass.		
William A. Pettit, M.D., State ophthalmologist for the California Department of Social Welfare, South Pasadena, Calif.	250	
Hazen Price, M.D., internist; associate professor, clinical medicine, Wayne State University Medical School, Detroit; chairman, geriatrics committee, Michigan State Medical Society; chairman, committee on aging, United Community Services, Detroit; and chairman, Michigan Joint Council to Improve Health Care of the Aged.		
Leo Price, M.D., formerly director, Union Health Center of the International Ladies' Garment Workers' Union, New York City; at present, consultant to various health and welfare funds, New York City.		2, 300
Meyer Sarkin, executive director, Jewish Vocational Service, Cleveland, Ohio.		400
William Harold Scoins, M.D., chief medical director, Lincoln National Life Insurance Co., Fort Wayne, Ind.	250	800
Carroll Shartle, Ph.D., chairman, personnel research board, Ohio State University, Columbus, Ohio.	250	
Byron Smith, executive director, Minneapolis Society for the Blind, Minneapolis, Minn.	250	400
Ernest L. Stebbins, M.D., dean of school of hygiene and public health, Johns Hopkins, Baltimore, Md.		400
David Wade, M.D., medical consultant, division of vocational rehabilitation, Texas Education Agency, Austin, Tex.	250	800
George W. Wright, M.D., director of department of medical research, St. Lukes Hospital; associated clinical professor of medicine, Western Reserve University School of Medicine, Cleveland, Ohio.		400

B. Research study and consultant services performed by Dr. Bruce W. Armstrong

1. Purpose and results of study and consultant services: Dr. Armstrong was engaged to perform special examinations of disability applicants in Maryland and to carry out extensive studies for the purpose of making improvements in the guides and techniques for evaluating claims for OASI disability benefits from applicants with cardiac and lung impairments. About 40 percent of all applicants for disability benefits complain of some breathing difficulty.

The findings of Dr. Armstrong have provided the basis for refinement of criteria issued by the Bureau to State agencies to govern the evaluation of disability claims. In addition, in connection with this study activity and

other studies financed in part by the National Institutes of Health, Dr. Armstrong developed a new theory about the way the human body regulates breathing during exercise. This new theory (published in the June 1961 issue of Science, official publication of the American Association of the Advancement of Science) not only represents a breakthrough of medical knowledge on the physiology of breathing, but also opens the way to better techniques for measuring the remaining work capacity of individuals who have shortness of breath, in connection with the disability insurance program.

The contract for this study ended June 30, 1961.

Dr. Armstrong was engaged starting October 16, 1961, as a special consultant on cases involving difficult problems of evaluation in the area of cardiopulmonary disease. He also provided consultant services in the development and presentation of training materials to improve the evaluation skills of State agency medical staff, as well as the usefulness of reports of examinations of applications furnished by members of the medical profession in connection with the adjudication of disability claims.

2. Dr. Armstrong's qualifications, and amounts paid in calendar years 1960 and 1961: Dr. Armstrong is a recognized medical authority in both research and treatment of lung diseases. In addition to his position as chief of the cardiopulmonary laboratory, University of Maryland Hospital, Baltimore, Md., he is assistant professor of surgery at the University of Maryland School of Medicine. Among his published medical research studies are:

Riley, R. L., Shepard, R. H., Cohn, J. E., Carroll, D. G., and Armstrong, B. W., "The Maximal Diffusing Capacity of the Lungs"; J. Appl. Physiol. 6:573, 1954.

Shepard, R. H., Cohn, J. E., Cohen, Goodman, Armstrong, B. W., Carroll, D. G., Donozo, H. and Riley, R. L. "The Maximal Diffusing Capacity of the Lung in Chronic Obstructive Diseases of the Airways"; Am. Rev. of Tbc. & Pul. Dic. 71:249, 1955.

McKerrow, C. B., Otis, A. B., Bartlett, H., and Armstrong, B. W. "Some Mechanical Factors Influencing Intrapulmonary Distribution of Respired Gas"; School of Aviation Medicine, USAF, Report No. 55-117, 1958.

Armstrong, B. W., Hurt, H. H., Blide, R. W., Workman, J. M. "The Humoral Regulation of Breathing." A unified concept based on the physicochemical composition of mixed venous and arterial blood in normal men at rest and during exercise; accepted for publication in Science.

Armstrong, B. W., et al. "The Humoral Regulation of Breathing." Clinical aspects; submitted for publication to the Journal of Chronic Diseases.

Amounts paid

	Calendar year 1960	Calendar year 1961
Under contract ending June 30, 1961 ¹	\$55,000	\$30,000
Under contract beginning Oct. 16, 1961.....		2,000

¹ The amount paid to Dr. Armstrong in connection with this project includes payment for the laboratory and applicant examination facilities furnished by him, as well as supporting professional, technical and other staffs to assist in carrying out the project.

C. Physicians engaged in disability case review

1. Function of physicians in disability case processing: The consultants listed below are either practicing physicians or university hospital staff, who are employed part time to assist in the central office review of disability case determinations made by State agencies. Each physician renders services on an average of about 2 days per week and is a specialist in a particular field of medicine. As a group these medical consultants represent the full range of medical specialties required to assure a high quality professional review of the large volume of disability case determinations handled under the program. A few of the group also participate in activities related to the development of case evaluation policy and of training materials for State agency medical staff.

2. Names, specialty, and amounts paid in calendar year 1961:

(a) Physicians under contract (Public Law 600): ¹		Amounts paid
Blum, Louis V., internal medicine	-----	\$9,360
Chestnut, Ray W., internal medicine	-----	9,360
Dugan, Frances M., internal medicine	-----	9,360
Finegan, Michael K., surgery	-----	4,680
Gubnitsky, Albert, internal medicine	-----	4,050
Hahn, Richard David, internal medicine	-----	4,680
Jacobson, Meyer W., internal medicine	-----	9,360
Lenine, Helbert M., surgery	-----	9,360
Schneidmukl, Abraham M., psychiatry	-----	9,360
Snyder, John N., internal medicine	-----	9,360
Toms, Stephen, internal medicine	-----	8,730
Whittlesay, Philip, internal medicine	-----	9,360
(b) Physicians engaged on a when-actually-employed basis (Public Law 600):		
Allinson, Elihu E., psychiatry	-----	1,485
Atkinson, Matthew S., III, neurology	-----	1,170
Ball, Wilmot C., Jr., internal medicine	-----	2,385
Berman, Barnett, internal medicine	-----	5,445
Blide, Richard W., internal medicine	-----	5,985
Blumenfeld, Samuel, internal medicine	-----	585
Brusilow, Saul W., internal medicine	-----	5,715
Burlingame, Madeline, internal medicine	-----	3,465
Cader, Gordon V., internal medicine	-----	3,915
Colston, John A. C., Jr., surgery (urology)	-----	2,745
Cooke, Charles R., internal medicine	-----	1,935
Cross, Ernest S., Jr., internal medicine	-----	5,310
Daly, Francis T., internal medicine	-----	540
Daniels, Worth B., Jr., internal medicine	-----	1,710
Davis, Marvin Hersch, internal medicine	-----	5,805
Dickerman, Herbert W., internal medicine	-----	4,545
Duke, James R., ophthalmology	-----	1,215
Feeley, James W., internal medicine	-----	5,535
Feldman, Sol. O., internal medicine	-----	2,160
Finegan, Michael K., surgery	-----	3,015
Friesinger, Gottlieb C., internal medicine	-----	4,230
Fritz, William F., internal medicine	-----	5,670
Gaines, Leonard M., Jr., internal medicine	-----	5,670
Genecin, Abraham, internal medicine	-----	2,115
Gladue, Joseph R., internal medicine	-----	675
Glassman, Ephraim, internal medicine	-----	3,510
Goldstone, Herbert N., internal medicine	-----	765
Gonzalez, Luis Felipe, internal medicine	-----	5,265
Gubnitsky, Albert, internal medicine	-----	2,520
Hahn, Richard David, internal medicine	-----	2,160
Hartman, John F., internal medicine	-----	3,105
Harvey, John Collins, internal medicine	-----	5,940
Hendrix, Thomas R., internal medicine	-----	3,555
Himelfarb, Albert J., internal medicine	-----	3,735
Hyatt, Irvin, internal medicine	-----	4,500
Jones, Dennis T., psychiatry	-----	4,185
Kane, Harry F., internal medicine	-----	5,715
Kassel, Leon Edward, internal medicine	-----	4,050
Kotz, Leonard, internal medicine	-----	3,870
Kravitz, Sheldon C., internal medicine	-----	4,590
Krevans, Julius Richard, internal medicine	-----	2,385
Levy, Robert I., surgery	-----	4,725
Mahon, Robert J., internal medicine	-----	1,800
Miller, Max Jay, internal medicine	-----	4,410
Miller, Stanley, internal medicine	-----	4,680
Myerwit, Joseph R., internal medicine	-----	2,520

¹ Contracts provide for physicians to work on 4 days each week. Certain of these physicians were engaged on a when actually employed basis before being placed under contract, hence are also listed in sec. 2(b) as "When actually employed."

(b) Physicians engaged on, etc.—Continued

	<i>Amounts paid</i>
Nachlas, Nathan Edward, otolaryngology	\$1,710
Nelp, Wil B., internal medicine	4,140
Nolan, James J., internal medicine	1,530
Owens, Albert H., Jr., internal medicine	3,555
Padussis, Stephen K., surgery	585
Parelhoff, Merrill E., internal medicine	3,330
Pollack, Irwin W., psychiatry	495
Prout, Thaddeus E., internal medicine	4,815
Rienoff, William Francis, III, surgery	765
Ross, Richard Starr, internal medicine	2,430
Roveti, George C., internal medicine	4,725
Santos, George W., internal medicine	3,600
Schaffer, Louis H., internal medicine	4,905
Schilling, Albert, internal medicine	4,140
Sexton, Carlton L., internal medicine	4,770
Shapiro, Jerome E., psychiatry	1,440
Sharfatz, George, internal medicine	450
Shear, Joseph, internal medicine	4,725
Shulman, Alfred J., psychiatry	2,880
Siegel, Charles Isaac, internal medicine	4,185
Singleton, Robert T., internal medicine	4,680
Smith, Ernest W., internal medicine	5,220
Smith, Sol, internal medicine	5,220
Steinberg, Morris W., internal medicine	3,735
Stephens, Joseph H., psychiatry	4,185
Taylor, Robert B., internal medicine	585
Toms, Stephen, internal medicine	360
Upshaw, Jefferson, Jr., internal medicine	2,790
Walker, W. Gordon, internal medicine	4,410
Walser, Mackenzie, internal medicine	3,060
Weber, Ralph, internal medicine	675
Weiner, Israel H., neurosurgery	2,160
Welzant, Walter R., internal medicine	495
White, John P., III, surgery	1,620
Wilson, Ezekiel H., internal medicine	4,995
Wolff, Stewart McKay, ophthalmology	1,800
Workman, John M., internal medicine	4,680

D. Other

- Medical writer to plan and coordinate a technical information program to keep medical and allied groups informed on the medical aspects of the disability program and to write informational materials for this program.
Lois R. Chevalier:

Amount paid:

Calendar year 1960	None
Calendar year 1961	\$4,500

- Consultant to develop preliminary plan for restorative services projects to be established which would obtain for BOASI: (1) information on methods of evaluating functional capacity of disabled individuals when such evaluation is made by a team of professional personnel and (2) data on improvement of functional capacity of disabled individuals when necessary medical and allied services are provided under medical direction. Dr. Jean Spencer Felton, M.D., professor of occupational health, University of California Medical Center:

Amount paid:

Calendar year 1960	None
Calendar year 1961	\$4,000

II. MEDICAL ASSISTANCE IN BUREAU'S EMPLOYEE HEALTH PROGRAM

A. Doctors on contract to serve as consultants to the Bureau of Old-Age and Survivors Insurance Medical Director as requested—Specialists in the fields of radiology, cardiology, and psychiatry

	<i>Amounts paid, calendar year 1961</i>
Name and background:	
Dr. Leon Shulman, M.D., graduate, School of Medicine, Ohio State University, 1935, radiology specialist-----	\$2, 250
Dr. Kyle Y. Swisher, M.D., graduate, School of Medicine, University of Maryland, 1948, cardiology specialist-----	1, 150
Dr. Jonas Rappaport, M.D., graduate, School of Medicine, University of Maryland, 1952, psychiatry specialist-----	550

B. Doctors on contract to assist intermittently in the periodic health program by performing routine physical examinations of the Bureau's personnel

	<i>Amounts paid, calendar year 1961</i>
Name and background:	
Dr. Ronald Berger, M.D., graduate, School of Medicine, University of Maryland, 1957-----	\$2, 662
Dr. Sze Liu, M.D., graduate, School of Medicine, Nanking, China, 1947-----	2, 431
Dr. John M. McGovern, M.D., graduate, School of Medicine, National University of Ireland, 1955-----	2, 187
Dr. Hilary O'Herlihy, M.D., graduate, School of Medicine, National University of Ireland, 1954-----	1, 700
Dr. David Oursler, M.D., graduate, School of Medicine, University of Maryland, 1956-----	2, 544

C. Doctors on contract to deliver a series of lectures in various fields of medicine to the Bureau of Old-Age and Survivors Insurance nursing staff during training periods

A total of 11 individual doctors were used intermittently (less than 10 days each) for the training sessions conducted in calendar year 1961. Each was paid \$50 per day when used. Total amount paid was \$1,250.

III. CONSULTATIVE SERVICES IN IMPLEMENTING THE BUREAU'S IDP SYSTEM

A. Consultant to the central planning staff

1. Kermit H. Vermilyea was engaged to provide full-time consulting and advisory service in an exhaustive survey and study of the entire claims processes of the Bureau of Old-Age and Survivors Insurance to be carried out through the use of Bureau personnel. By reason of his broad knowledge, obtained in private industry, of the techniques of large-scale systems, data-processing equipment, and communications, Mr. Vermilyea was able to contribute substantially to the identification of the significant factors for analysis which led to proposals for major changes in the Bureau's claims processes. These changes are being accomplished largely through the employment of the concepts and mechanisms of integrated data processing including wire communications, the installation of computers in the payment centers of the Bureau and the integrated use thereof with the computers which already existed in the Bureau's Division of Accounting Operations.

2. Background of Mr. Vermilyea: B. A. degree, Georgetown University; partner in Clifton Corp., Washington, D.C. Extensive experience in development of electronic and other business machines.

3. Mr. Vermilyea was under contract with the Bureau from July 1, 1959 to August 31, 1961.

Amounts paid in calendar years 1960 and 1961 are—

1960-----	\$24, 800
1961-----	17, 366

B. Feasibility study on operations research

1. A contract was made with the Johns Hopkins University operations research teams to conduct a study to determine whether operations research and related management science techniques could be used profitably by BOASI in broad and long-range studies of its claims activities. The study furnished information which assisted the Bureau in decisions (1) on the character and application of later operations research assistance, and (2) on the development of an internal operations research capability. Information derived from the formal oral and written reports of the Hopkins group and also from association of Bureau people with operations research practitioners on the job provided a demonstration of the practicability and desirability of supplementing conventional management analysis methods with scientific techniques to enhance the precision of findings and management decisions on the Bureau's complex, interacting claims process.

2. Contract period : October 27, 1960 through January 31, 1961.

Amount paid : \$19,500 in 1961.

C. CEIR contract

1. The Bureau entered into a contract with CEIR (an electronic data research service firm) to appraise progress made to date in implementation of the IDP system and to develop recommendations for efficient attainment of the objectives of the system. Their recommendations are presently being implemented.

2. Contract period : August 30 to December 31, 1961.

Amount paid : \$30,282 in 1961.

D. Dunlap Associates contract

Contract was signed in January 1962 with Dunlap Associates to conduct an operations research study of the geographical and functional location of the Bureau's claims activities.

IV. MISCELLANEOUS SERVICES

A. Use of experts for training and special seminars

1. Group of consultants and/or experts in various specialty fields to give lectures and serve as discussion leaders at preretirement seminars conducted for Bureau personnel.

Participants: Total of 7 individuals, each a specialist in his own field, used intermittently (less than 10 days each) at \$50 per day:

Amount paid:

1960-----	None.
1961-----	\$350

2. Group of consultants and/or experts in various fields to give lectures and act as discussion leaders on the background of the American social security system. Individuals were used intermittently in this Bureau's basic training program.

Participants: Group of 6 individual consultants on an intermittent basis (less than 10 days each) at a fee of \$50 per day:

Amount paid:

1960-----	\$500
1961-----	400

3. Consultant to conduct a workshop seminar for middle management personnel in connection with the Bureau's executive development program.

Name and background: Mr. Francis P. Brasseur, visiting professor of public administration, American University:

Amount paid:

1960-----	
1961-----	\$4,566

4. Group of individual experts, mostly college professors specializing in the field of management, serving as lecturers and discussion leaders at regional management training conferences in connection with the executive development program for selected personnel in BOASI field installations throughout the

Participants: Approximately 65 individuals serving intermittently (less than 10 days each) over a 2-year period at the rate of \$50 per day:

Amount paid:

1960	\$5,150
1961	5,550

5. A contract to conduct and coordinate a discussion and workshop seminar in management and systems analysis for groups of management analysts in BOASI. Each seminar was about 12 working days in duration.

Contractor: American University School of Government and Public Administration, Washington, D.C., 4 seminars at \$2,750 each:

Amount paid:

1960	\$2,750
1961	8,250

6. Consultant in field of social welfare and in-service training to write text for BOASI field personnel on interviewing techniques and perform other services as a social insurance research analyst.

Name and background: Mrs. Elizabeth de Schweinitz, A.B. degree Oberlin College, long and varied experience in field of social welfare. Paid on a "when actually employed" basis as an employee of BOASI:

Amount paid:

1960	\$4,280
1961	92

7. Group of experts to furnish advice on meeting the problems involved in the payment and use of old-age, survivors, and disability benefits for beneficiaries in public mental hospitals. Problems discussed were: (1) Who is the best payee in such cases; (2) how are benefits used when the institution is the payee; (3) do relative representative payees show real interest in the beneficiary's welfare; and (4) can some patients be paid directly.

Participants: A group of nine doctors and five other experts in various fields attended a meeting with BOASI claims policy personnel for 2 days at \$50 each per day plus travel costs:

Amount paid:

1960	\$3,188
1961	None

B. Use of consultants for program research and planning

1. Consultative services in planning for legislative proposals relating to the social security program.

Name and background: Mr. Frank Blackford, commissioner of insurance, State of Michigan:

Amount paid:

1960	
1961	\$1,675

2. Consultant to prepare a report on family composition and living arrangements of widowed mothers with entitled children based on data from the 1957 national beneficiary survey.

Name and background: Mr. Earl Richard Moses, professor and head of Sociology Department, Morgan State College:

Amount paid:

1960	\$500
1961	750

NEW OFFICES

Mr. LAIRD. In the last year, how many new offices have you opened?

Mr. CHRISTGAU. Eleven.

Mr. BALL. I think we have actually opened 11; yes.

Mr. CHRISTGAU. Some of them are getting organized, and so forth, but 26 new offices were authorized this year.

Mr. LAIRD. Do you find a trend toward spreading the offices out to be in the best interests of the total program?

Mr. CHRISTGAU. Well, during the next year we contemplate making a study of that entire area to see what might be the best kind of an arrangement. The places where we opened up the new offices this year are in rather heavily concentrated centers of population where the population has grown substantially, and we felt these people were entitled to the same service that was given elsewhere.

For example, the most of them opened up in any one State was in California, where there was a substantial increase in various areas, and some in Florida and then some isolated ones throughout the country, where the towns have grown substantially or there was a new group of people to serve in rural areas.

Mr. LAIRD. The reason I asked this, with the new data processing equipment that is being used, the trend in industry is a little bit in the opposite direction. Many of the large insurance companies are moving in the opposite direction. There must be sound reasons why you are going the other way.

Mr. CHRISTGAU. Well, we are not exactly going in a different direction, Mr. Laird, in our data-processing area, where we have equipment for the kind of systems we have indicated we are just inaugurating in the various payment centers, and when during next year, we will be using operations research. In this area we will be making a determination as to whether there should be greater centralization than there is now.

We have a recent request for opening up another office in Milwaukee and I asked our people to take a look at it to see whether we couldn't serve that area by having just a branch office to take claims.

So we are looking into these situations to see whether or not expansion of service can be handled by small offices attached to parent offices—branch offices.

So we are not expanding the office organization in the opposite direction to what the insurance companies are doing. We are looking at centralization where we have data processing operations, but we are also looking at the differing needs of the public contact area where we have to deal with work which cannot be converted to a centralized data-processing basis.

INDIVIDUAL ACCOUNTS

Mr. LAIRD. How does this work, when the newspapers put coupons in urging their readers to fill out the coupon and they will mail it to the social security office and get a complete accounting on their particular case?

Mr. CHRISTGAU. Actually, we urge the people to write in at least every 3 years to get a statement of their accounts. Because of the statute of limitations, if some people are not being reported, they lose out in benefits, if it is not found out in time. So the newspapers do this in the way of a public service, and we process more of these requests.

Mr. LAIRD. What is the best time to do that?

Mr. CHRISTGAU. I would say during the summer months and in the fall. This present time would be the worst time. This time of the year is our peakload period.

Mr. BALL. It is very important for the accuracy and completeness of our records, to have people inquire in this way so that we can check

and make sure that somebody has not neglected reporting. And it does work out well. So that we like to see a lot of people send these in.

Mr. LAIRD. Do you recommend doing this every 4 years?

Mr. CHRISTGAT. Three years. We may look at that some time again in the future. In places where you have large industries, most of these large industries report accurately. It is in these isolated situations where people do not have their earnings correctly reported.

Mr. LAIRD. That is all I have.

Mr. FOGARTY. Mr. Michel.

LEVEL OF EMPLOYMENT

Mr. MICHEL. I see here that the Bureau is increasing its staff on duty from the 30,900 at the end of fiscal year 1961, and as of February 9, the staff was 33,200, and will rise to 33,900 in the year 1962. Will that be cut back at the end of the year? Will that figure be cut back again, or will that have to remain at that high level of 33,900?

Mr. BALL. Well, it cuts back for—no, actually, on the average, it would be somewhat higher the next year. I think that is the answer that you would want.

We have some fluctuation in the actual staff on duty related to the workloads in different periods of the year and related to recruitment timed so that we are able to hire recent college graduates at the time we can get the best.

So that in July, for example, we might hire college graduates that go into training so that they are ready for effective duty when the peakloads come around in January. But there is an up and down movement. The average in 1963 is slightly higher than the end of the year figure for 1962.

Mr. MICHEL. And will it go up again in the following year, just on the strength of increased applications?

Mr. BALL. No.

Mr. MICHEL. What I am trying to get at, is this a peaking out because of recent amendments?

Mr. BALL. Yes. This is the 1962-63 situation. Workloads and manpower for the year are very close to what they were in 1962.

What has happened primarily in our 1963 budget is a substitution of regular time, of more people working just regular time for this very substantial overtime that we had to have in 1962. We have been hiring people throughout this year, but we still had to use much overtime in the early parts of the year. In 1963, we will not have to use nearly as much overtime, and then only in relation to the seasonal peaking, rather than to—well, all this is always if we do not have significant amendments.

Mr. TOUCHET. Overtime is used to level staff for workloads from year to year. We would not put on people beyond the need for the next year in any one year.

APPLICATIONS FOR RETIREMENT BENEFITS

Mr. MICHEL. I see in other testimony here that, as a result of the amendments to the act last year, lowering the voluntary age for a man from 65 to 62, there were 362,000 claims filed in the first 6 months and 288,000 were expected in the last 6 months.

Are those figures for this latter half of 1962 still valid?

Mr. BALL. I would say those would be coming very close on the year as a whole.

Mr. MICHEL. What will happen in the year 1963 so far as those applications are concerned? What are the projections?

Mr. BALL. Just for the claims related to the age 62 provision for 1963? Do you have that broken down?

Mr. FUTTERMAN. Yes, I have a figure; 170,000, I think, in 1963.

Mr. BALL. You see, in other words, when the law first went into effect, there is a backlog of all the people in 62 to 65 who will suddenly become eligible; whereas, in future years, it will be mostly those who are just becoming 62.

Mr. MICHEL. Then what should that figure be in 1964 on the strength of the figure you say for 1963?

Mr. BALL. It will grow somewhat in future years, because of two things: One is the aging of the population. There will just be more people over 62. This is a slow increase, and there is a somewhat higher proportion of the people over 62 who meet the insured status requirements in the law, because they have had a longer opportunity to work and meet the requirements.

You see, you can expect—in the whole program, too, not just this provision—a gradual increase in workload for many, many years growing out of those factors.

LIFE EXPECTANCY

Mr. MICHEL. On this matter of life expectancy, I was really astounded when I learned of the increase since the turn of the century, then since enactment of the social security law there has been a marked increase. Do you have those precise figures of life expectancy as of this date for men and women, or will you supply it for the record?

Mr. BALL. We will supply it for the record.

Mr. MICHEL. I would also like to know what prognostications are on it.

Mr. BALL. For life expectancy on both?

Mr. MICHEL. Right.

(The requested information follows:)

Average life expectation at birth, U.S. population, by sex

[In years]

	Male	Female
Calendar year:		
1959 ¹	66.5	73.0
1975.....	69.5	75.8
2000.....	71.4	77.1

¹ Latest year for which data based on population mortality are available.

Mr. BALL. Of course, the thing that affects us very much is that there has not been anything like this improvement in the upper age groups. That is, once people get to be 65, their life expectancy from then on has increased slightly, but not so significantly. We are not paying people retirement benefits for much longer than was originally thought.

Mr. KELLY. I have the figures, Mr. Michel—I have the figures for 1961 and 1960. And for males it went up from—65.6 was the life expectancy of males in 1951 and 66.5 was the life expectancy in 1960; and for females it was 71.3 years in 1951 and went up to 73 in 1960.

Mr. MICHEL. So there is a 6½-year difference between the life expectancy for men and women?

Mr. KELLY. Yes, sir.

Mr. MICHEL. I am surprised to hear your statement to the effect that in the upper years, in the aging years, we really do not expect too much of an increase in life expectancy.

Mr. BALL. There has not been so far. I would not necessarily like to comment on what we can expect. What has happened has been largely the medical solution of the problem of infectious disease which affected the younger years, and you need something like the same degree of success with older age illnesses like cancer and heart disease to have this kind of effect on the upper years.

DECLINE IN OLD AGE ASSISTANCE RECIPIENTS

Mr. MICHEL. Then on page 8, the number of recipients of old-age assistance has declined from a high of 2,810,000 in 1950 to 2,273,000 in November of 1961, despite a steady increase in our aged population.

Now, what accounts for this?

Mr. BALL. I think this results from the insurance program.

Mr. MICHEL. Strictly?

Mr. BALL. I would say largely so.

Mr. DENTON. What did you say?

Mr. BALL. The question, Mr. Denton, was about the decline of the old-age assistance rolls from 2.8 to 2.3 million and what the cause of that decline was; and we were saying that it was very largely the extension and improvement of the social insurance program, that more people were eligible now for social insurance, so not so many had to take assistance.

Mr. MICHEL. And tied in closely with that, the rate per thousand of the population aged 65 and over receiving assistance dropped from 226 in June of 1950 to 134 in June of 1961.

CUBAN REFUGEE PROBLEM

I think there was just one other thing I want to ask; that is on this Cuban matter. There is mention made here of using money from the President's contingency fund. What, actually, in dollars and cents have we spent on this?

Mr. MITCHELL. By the end of this year, we will have spent approximately \$35 to \$36 million.

Mr. MICHEL. The end of this fiscal year?

Mr. MITCHELL. The end of this fiscal year.

Mr. MICHEL. Ending in June of 1962?

Mr. WYNKOOP. That is for this fiscal year. In addition, we spent about \$4.7 or \$4.8 million out of the funds we got last year.

So you have two figures—\$4.7 million for last fiscal year, and approximately \$35 to \$36 million this fiscal year.

Mr. MICHEL. And that problem is not going to be diminishing, is it, in this coming year, or what are the projections?

Mr. MITCHELL. Mr. Michel, we are getting in arrivals per week about 1,500 to 2,000 additional refugees, and recently the State Department and the Bureau of Immigration advised me that there were some 73,000 waivers of people in Cuba who could come in if they could find transportation and had the wherewithal to pay for it. And those authorizations are increasing at the rate of, oh, a couple thousand a week.

Mr. MICHEL. So what will we be expending next year, as far as you know, in this area?

Mr. WYNKOOP. The President's budget has \$45 million, but I might add that is a conservative figure at this point.

SOCIAL SECURITY PAYMENTS GOING OUT OF THE COUNTRY

Mr. MICHEL. Mr. Ball, Mr. Laird touched on and asked for the record several figures relative to social security payments going out of the country. I think last year I had asked for the total amount of social security benefits that were sent to U.S. citizens living outside the continental limits of the United States. Could we have that supplied for the record this year?

Mr. BALL. I am not sure we have a break between U.S. citizens and foreign nationals.

Mr. MICHEL. Well, he specified, I noticed, foreign nationals.

Mr. BALL. We can give the total.

Mr. MICHEL. All right. Do you have that broken down by the country to which they are sent?

Mr. BALL. Yes.

Mr. MICHEL. Will you also make sure that that is listed?

Mr. BALL. Yes, sir.

Mr. MICHEL. Just incorporate it with the information Mr. Laird requested.

(The information may be found beginning at p. 814.)

Mr. MICHEL. That is all, Mr. Chairman.

Mr. FOGARTY. Is there anything else you would like to say, Mr. Christgau?

MILITARY WAGE CREDITS

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Payment to Federal old-age and survivors insurance trust fund for military service credits.....			78,011
2. Payment to Federal disability insurance trust fund for military service credits.....			589
Total obligations (object class 41).....			78,600
Financing: New obligational authority (appropriation).....			78,600

Mr. CHRISTGAU. Yes, sir. Mr. Chairman, we have another item on "Military wage credits." I think the committee is familiar with that.

Do you want us to file that statement?

Mr. FOGARTY. File that statement.

(The statement follows:)

PAYMENT TO THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND TO THE FEDERAL DISABILITY INSURANCE TRUST FUND FOR MILITARY SERVICE CREDITS

Mr. Chairman and members of the committee. It is a pleasure for me to submit to you this request for payment to the Federal old-age and survivors insurance trust fund and Federal disability insurance trust fund for military service credits as contemplated in earlier amendments to the Social Security Act. This request covers part of the costs that these trust funds incurred for the period beginning September 1, 1950, and ending June 30, 1960, as a result of the way the Social Security Act provided protection for members of the Armed Forces before January 1, 1957. Beginning in 1957, the Armed Forces were covered under social security in much the same way as all other wage earners, with the serviceman, and the Government, as his employer, paying the regular social security taxes. For military service before 1957, however, the law provides social security credit on a noncontributory basis. Social security benefits have been paid since September 1950 on the basis of noncontributory credit for military service, with the trust funds standing the cost. In effect, then, the cost of these benefits has been borne by the workers, employers, and self-employed people covered by the social security system.

Public Law 84-881, August 1, 1956, authorized repayment for the costs of benefits paid during the period September 1, 1950, through June 30, 1956, to be made in 10 equal installments, beginning in 1960. This appropriation request includes a modification of the original plan so that the liability for the 1950-56 period will be paid in seven annual installments beginning July 1, 1962, the assumed date of the first payment, with the final payment in 1969, as contemplated by the law. The modification is necessary because of the delay that has occurred in beginning the repayments to the trust funds. The schedule of reimbursement that we are now proposing would achieve the same result by 1969 that would have been achieved if reimbursement under the 10-installment schedule contemplated in Public Law 84-881 had been begun in 1960, as provided by that legislation. The law also provided for the repayment to the trust funds (the payment to the Federal disability insurance trust fund was added by the 1958 amendments to the Social Security Act) for costs incurred in subsequent years (after June 30, 1956) to be made on an annual basis. This appropriation request covers one-seventh of the costs for fiscal years 1957, 1958, 1959, and 1960.

On July 1, 1962, the costs of benefits paid (including interest and administrative expenses) during fiscal years 1951 through 1960 will total \$550 million. This amount is amortized over seven equal annual payments, making the present appropriation request \$78.6 million. Under this amortization schedule the final payment covering fiscal years 1951 through 1960 will be made in fiscal year 1969. In each year an interest payment for interest accrued on the balance owing after the preceding year's payment will be determined. Also, each year beginning with fiscal year 1964 the costs of benefits paid during the third preceding fiscal year will be included.

Under the modified plan the largest single payment, as now estimated, will be in fiscal year 1964 when the estimated appropriation request is \$159.8 million. Each year thereafter a smaller amount will be due as interest decreases and the current liabilities decrease. Beginning with fiscal year 1970 only amounts for costs of benefits paid during the third preceding year will be required to be appropriated.

The enactment of this appropriation request—recognizing an annual schedule of repayments to the trust funds—will carry out the intent of Public Law 84-881 to provide for making the trust funds whole with respect to prior legislation at the same time that military service was made covered employment under the Social Security Act with tax deductions and payments in the usual manner effective January 1, 1957. The Congress, in providing for payment to the trust funds for these noncontributory wage credits, recognized

that the trust funds had been bearing the cost of the benefit payments without provision for repayment.

Your favorable consideration of this request will be the important first step in restoring the trust funds to the balances that they would have had today if noncontributory military service credits had not been enacted.

We shall be happy to answer questions which committee members may have.

Mr. FOGARTY. Is there anything further you would like to say?

Mr. CHRISTGAU. No, sir.

Mr. FOGARTY. Thank you very much.

We will reconvene at 1:30.

BUREAU OF FAMILY SERVICES

WITNESSES

MISS KATHRYN D. GOODWIN, DIRECTOR, BUREAU OF FAMILY SERVICES
 ANDREW R. N. TRUELSON, ASSISTANT DIRECTOR
 CHARLES S. WHITE, CHIEF, DIVISION OF ADMINISTRATION
 MRS. DOROTHY B. WEST, CHIEF, OPERATING STATISTICS BRANCH,
 DIVISION OF PROGRAM STATISTICS AND ANALYSIS, BUREAU OF
 FAMILY SERVICES
 WILLIAM L. MITCHELL, COMMISSIONER, SOCIAL SECURITY ADMINISTRATION
 ROY L. WYNKOOP, ADMINISTRATIVE OFFICER, SOCIAL SECURITY ADMINISTRATION
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
State expenditures:			
1. Payments to or on behalf of recipients:			
(a) Old-age assistance.....	1,165,121	1,224,300	1,226,000
(b) Medical assistance for the aged.....	21,401	60,000	218,000
(c) Aid to dependent children.....	656,505	748,100	847,100
(d) Aid to the blind.....	44,930	45,400	44,500
(e) Aid to the permanently and totally disabled.....	166,535	170,000	194,600
Total, payments to or on behalf of recipients.....	2,054,492	2,247,800	2,530,200
2. State and local administration:			
(a) Old-age assistance.....	59,820	65,300	61,800
(b) Medical assistance for the aged.....	1,497	9,000	15,300
(c) Aid to dependent children.....	60,372	72,200	78,200
(d) Aid to the blind.....	3,662	4,000	3,700
(e) Aid to the permanently and totally disabled.....	17,134	20,400	20,100
Total, State, and local administration.....	142,465	170,900	179,100
Total for all programs.....	2,196,957	2,418,700	2,709,300
3. Collections and adjustments during year.....	-21,543	-20,966	-21,000
Total program costs.....	2,175,414	2,397,734	2,688,300
Change in selected resources ¹	-1,058	95,104	-----
Adjustment between State expenditures and Federal grants advanced to States.....	5,052	-----	-----
Total obligations (object class 41).....	2,179,408	2,492,838	2,688,300
Financing:			
Appropriation available from subsequent year.....	-508,362	-600,000	-600,000
Appropriation available in prior year.....	505,954	508,362	600,000
New obligational authority (appropriation).....	2,177,000	2,401,200	2,688,300

¹ Selected resources as of June 30 are as follows:

	1960	1961	1962	1963
Selected resources at end of year (amount obligated in current year for grants chargeable to appropriation for subsequent year).....	505,954	508,362	600,000	600,000
Amount of 1962 appropriation used to complete 1961 requirements.....	-----	-3,466	-----	-----
Total selected resources.....	505,954	504,896	600,000	600,000

GENERAL STATEMENT

Mr. FOGARTY. Miss Goodwin, do you have a statement for the committee?

Miss GOODWIN. Yes, sir. We have four items, as you know, and we have statements in regard to each one of them. The first of them is the Federal grants to States for public assistance, of which the total is \$2,688,300,000.

(The complete statement on grants to States for public assistance follows:)

GRANTS TO STATES FOR PUBLIC ASSISTANCE

The budget request for grants to States for public assistance includes grants-in-aid for five public assistance programs. The programs for which grants were initially authorized in 1935 include old-age assistance, aid to dependent children, and aid to the blind. Grants for aid to the permanently and totally disabled were authorized in 1950 and for medical assistance for the aged in 1960.

1961 LEGISLATION AFFECTING PUBLIC ASSISTANCE

The 1st session of the 87th Congress made several changes in the public assistance titles which resulted in an increase in the Federal share of State and local expenditures for assistance payments. The major changes include:

1. Permanent legislation, effective July 1, 1961, that increased Federal participation in old-age assistance on the basis of payments to suppliers of medical care to recipients of old-age assistance;
2. Temporary legislation, effective October 1, 1961, through June 30, 1962, that increased Federal participation in old-age assistance, aid to the blind, and aid to the permanently and totally disabled; and
3. Temporary legislation, effective May 1, 1961, through June 30, 1962, that provided broadened coverage of the program of aid to dependent children by providing Federal funds for assistance on behalf of children of unemployed parents and for children receiving aid to dependent children who, under specified conditions, are placed in foster family homes.

Should all these changes be effective for 1963 also, the Federal share of assistance payments for the fiscal year 1963 would be \$108.9 million more than it would otherwise have been.

A description of the specific provisions of the formulas for determining the Federal share of assistance payments under both temporary and permanent legislation is included in the justification material. The budget request is based on the assumption that temporary amendments will be extended and in effect for the entire fiscal year 1963.

The Congress also made changes in 1961 to the insurance provisions of the Social Security Act. These changes are expected to bring about a reduction in expenditures for old-age assistance below what they would otherwise have been in 1962 and succeeding years.

MAJOR DEVELOPMENTS UNDER RECENT LEGISLATION

Before proceeding to a presentation of the budget request for 1963, I should like to discuss very briefly major developments under the 1960 and 1961 legislation relating to the provision of medical care for older persons and the extension of aid to the children of unemployed parents under the program of aid to dependent children.

Provisions for medical care for the aged.—Under the 1960 amendments grants were authorized for a program of medical assistance for the aged, and in addition the Federal share of old-age assistance was increased on the basis of amounts expended by the States for direct payments to suppliers of medical care. The program of medical assistance for the aged covers medical expenses for older people who have enough income for their daily basic needs but who are unable to meet the costs of medical care. Under this program, medical care is paid for entirely through payments to vendors. In old-age assistance, although the bulk of the care also is paid for in this way, provision for medical care also may be made in the money payment to the recipient. The annual amount for medical care items included in old-age assistance money payments

is estimated at \$150 million, whereas the amount for payments to vendors was \$303,810,000 in the fiscal year 1961.

In order to evaluate accurately the efforts made by States to provide medical care to aged persons through public assistance it is necessary to consider the old-age assistance and medical assistance for the aged programs simultaneously. In November 1961, vendor medical payments under the programs of old-age assistance and medical assistance for the aged combined amounted to \$42 million. States differ in the content of medical care provisions under old-age assistance and medical assistance for the aged, and in the eligibility requirements relating to the two programs. As a result, persons in certain financial circumstances and with particular medical needs may have these needs met through medical assistance for the aged in one State and through old-age assistance in another State, and as persons' circumstances and needs change they may be transferred from one program to the other. Also, at present, more than half the States do not have programs of medical assistance for the aged.

Our analyses show that States with high average vendor payments for medical care for the aged are concentrated in the Northeast, the North Central States, and in the Pacific Northwest. Averages are generally low in other regions, especially in the South. Our analyses also show that in old-age assistance, high average vendor medical payments tend to occur in States with low old-age assistance recipient rates, that is, the States with a low percent of the population aged 65 years or more receiving assistance. Thus of the 15 States with average old-age assistance vendor payments above \$20 only 1 has a recipient rate higher than the national average. At the other extreme, all but 4 of the 17 States with vendor payment averages of less than \$5 have recipient rates above the national average. The potential total costs of providing extensive medical care to recipients of old-age assistance is, of course, relatively much higher in the States with high recipient rates, which tend also to be the States with the lowest per capita incomes. Thus total needs for medical care tend to be greatest in those States that are least able financially to meet the needs. These are also the States that make relatively low assistance payments for daily living needs. These States have special difficulty providing additional State funds to raise the level of payments for either subsistence or medical care.

Extension of aid to dependent children to children of unemployed parents.—In evaluating the States' response to this program extension it must be borne in mind that States providing assistance to families with an employable member under their general assistance programs could avail themselves of the offer of additional Federal funds under the aid to dependent children program without raising additional State funds for the State share of these payments. About two-thirds of the States fall in this group. Some of the States in this group, however, were deterred from extending coverage because the legislation was temporary.

In November 1961, 13 States provided aid to children of unemployed parents under their aid to dependent children programs. All but three of these States assist families with employable members under their general assistance programs. Since the beginning of the program extension nearly half of the families approved for aid to dependent children were transferred from general assistance. The number of recipients has grown from 72,000 in May 1961 when 4 States made payments to this group, to almost 200,000 in November 1961.

It is gratifying to report that, to date, rapid turnover has occurred in this segment of the aid to dependent children program. Thus 37 percent of the cases approved for assistance had been closed by the end of November 1961, more than two-thirds of them because the parent got a job. And of those who got jobs about two-thirds apparently found new jobs largely on their own initiative. The others either returned to former employment or were placed through employment security referrals.

Should the legislation be made permanent, it is likely that many of the remaining States that now help such families under their general assistance programs will take the necessary steps to bring them under the aid to dependent children program.

PROGRAM COVERAGE

Today, approved plans for old-age assistance, aid to dependent children, and aid to the blind are in operation in all 54 jurisdictions (the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands); all but 4

of these jurisdictions—Alaska, Arizona, Indiana, and Nevada—have approved plans for the program of aid to the permanently and totally disabled. Indiana will initiate a program during 1963. As of February 12, 1962, 25 States had submitted plans for medical assistance for the aged, and the program was in effect in all of these States. Of the three additional States that have enacted the necessary State legislation, one will have the program in operation during the last quarter of the fiscal year 1962, and two have not yet reported the date on which the program will be in effect. In two other States where the legislatures are in session, bills to authorize a program have been introduced.

Attachments to the summary of this statement show the status of State plans and actions with respect to programs of medical assistance for the aged, vendor medical payments in the program of old-age assistance and implementation of the temporary amendments extending aid to dependent children to children of unemployed parents and providing for foster home care in selected aid to dependent children cases.

ESTIMATED COSTS—FISCAL YEAR 1963

The amount of Federal, State, and local expenditures for assistance payments and State and local administration of the assistance programs for 1963 is estimated at \$4,593,100,000. The estimated Federal share of this amount is \$2,709,300,000, of which \$21 million will come from the Federal share of collections and adjustments for prior years made by the States during the year 1963. Thus the appropriation request is \$2,688,300,000. This estimate assumes that the temporary amendments to the public assistance titles enacted in 1961 will be extended for the entire fiscal year 1963. If they are not, the appropriation request would be reduced by \$97.9 million.

Although the President's budget message includes a forecast of a supplemental request for 1962 of \$140 million, this amount has been revised downward to \$85 million on the basis of the most recent information on program trends and legislative and program developments in the States. The appropriation request for 1962, as revised, is \$2,486,200,000, including \$2,401,200,000 appropriated by the Congress and the supplemental request of \$85 million.

The downward revision of \$55 million in the supplemental request for 1962 is accounted for by two programs: Medical assistance for the aged, for which the estimate was reduced by \$25 million; and aid to dependent children, which was reduced by \$30 million. These 1962 revisions do not affect the 1963 estimates for the following reasons. For medical assistance for the aged, the 1963 estimate is based on estimates supplied by the States, which take into account the amount of State funds available for expenditure under this program. Because of the pressure on the States to meet the need for medical care among the aged, it is believed that the States will expand their programs to the extent permitted by available State funds. For aid to dependent children, the 1963 estimate reflects a continued growth in the permanent segment of the program beyond that anticipated when the President's budget was prepared. The growth in the temporary segment of the program, although smaller than anticipated, will continue into 1963 because several large States that did not take action under the temporary legislation may be expected to do so when it is made permanent.

The amount requested for 1963 is \$202.1 million more than the revised amount estimated for 1962, which also includes about \$3.5 million used from the 1962 appropriation to complete 1961 requirements. Thus the actual increase in requirements for 1963 over requirements for 1962 is \$205.6 million. Of the total increase in 1963 over 1962, \$112.5 million is for the program of medical assistance for the aged; \$59.8 is for aid to dependent children; \$17.9 is for old-age assistance; and \$15.4 for aid to the permanently and totally disabled. No increase is projected for aid to the blind.

For the programs of medical assistance for the aged, aid to dependent children, and aid to the permanently and totally disabled, the increases are accounted for by a combination of larger numbers of recipients and higher average payments projected for 1963 over 1962. The increase in old-age assistance is due to higher average payments, which are projected primarily because of the continuing effect of the 1960 amendments, which raised the Federal share on the basis of the amount expended for vendor medical payments. The additional amount projected for old-age assistance in 1963 is smaller than it would otherwise have been because of the effect of the 1961 amendments to the insurance provisions of the Social Security Act.

BASIS FOR ESTIMATES

Number of recipients

For the programs, other than medical assistance for the aged, estimates are based on the most recent program trends, modified to give effect to the reduction that will occur because of the changes in the insurance provisions of the Social Security Act that were included in the Social Security Amendments of 1961. Estimates for medical assistance for the aged were supplied by State agencies in response to a specific request.

Old-age assistance.—The number of recipients is estimated to decline at an annual rate of 25,000, the current rate of decline exclusive of transfers to the program of medical assistance for the aged. It is believed that the number of such transfers will be substantially fewer in 1963 than in the preceding year. The number of recipients, so estimated, was reduced by 9,000 in 1963 in addition to a 6,000 reduction in 1962 to give effect to the 1961 amendments to the insurance provisions of the act.

Aid to dependent children.—For that part of the program administered under permanent legislation, the estimate takes into consideration the increase in the child population and also assumes a continued improvement in economic conditions. With respect to aid on behalf of children whose parents are unemployed, it was assumed that the number of recipients would increase by somewhat more than a third above the number estimated for 1962, which would appear to be conservative in view of the fact that several large States are now aiding children of unemployed parents under their general assistance programs and may be expected to extend their aid to dependent children programs to take in this group, if the Federal legislation is made permanent.

Aid to the blind.—Based on current program trends a small decline—1,000—in the number of recipients is projected from 1962 to 1963.

Aid to the permanently and totally disabled.—Based on recent program trends, it was estimated that, for the programs now in operation, the average monthly rate of increase would drop by about 150 during each 6-month period from July 1, 1961, through the fiscal year 1963. The estimate also allows for the new program in Indiana, which will have an approved plan in that year.

Average payments

Like the estimates of numbers of recipients, the estimated average monthly payments, except for the program of medical assistance for the aged, are based on recent program trends, modified to give effect to the Social Security Amendments of 1961.

Old-age assistance.—Based on recent program trends, average monthly payments of \$69.50 for 1962 and \$71.40 for 1963 were projected. After giving effect to the increase due to the temporary formula change and an increased amount for vendor medical payments made available under the 1961 amendments, the average became \$72.50 for the fiscal year 1963. The final average—\$70.35—reflects a downward adjustment that is projected to give effect to the 1961 amendments to the insurance provisions of the act under which assistance payments will be reduced for those who remain on the assistance rolls.

Medical assistance for the aged.—The average annual payment of \$520 for 1962 and \$550 for 1963 is based on information supplied by the States in response to a specific inquiry.

Aid to dependent children.—The average monthly payment per recipient projected for the permanent and temporary segments of the aid to dependent children program combined is \$31.59 for 1962 and \$32.60 for 1963. It is based primarily on program trends under the permanent segment of the program, which represents the preponderance of estimated expenditures.

Aid to the blind.—Based on current program trends, the estimates projected for 1962 and 1963 are \$74.05 and \$74.75, respectively.

Aid to the permanently and totally disabled.—Based on current program trends, estimates of \$69.60 for 1962 and \$71.75 for 1963 were projected.

State and local administration

The total amount to be expended for State and local administration of the five assistance programs is estimated at \$360,500,000 of which the Federal Government will contribute about one-half under each program. The Federal share is estimated at \$179,100,000 for 1963, \$16,500,000 more than in the preceding fiscal year.

Of the increase in the Federal share, \$7.3 million is accounted for by the new program of medical assistance for the aged. Information supplied by State

public welfare agencies about increases for the other four programs indicates that \$4,400,000, or almost one-half of the remaining \$9.2 million, will be accounted for by salary increases that will be given in accordance with established step increases under State merit systems or as cost-of-living increases for all State and local employees including those working on public assistance. An additional \$3,200,000 will be accounted for by an increase in the total number of employees to handle the larger number of recipients. The balance of the increase, \$1,600,000, is due to increases in costs for rental of space, travel, etc.

The average monthly salary of State and local employees working on public assistance was \$374 in 1960, lower than the average for all State and local employees (\$399) and considerably below the average for school employees (\$437).

SUMMARY STATEMENT

Miss GOODWIN. Federal grants-in-aid are now available for five public assistance programs. These include old-age assistance, aid to dependent children, and aid to the blind, for which grants were authorized in 1935; and aid to the permanently and totally disabled, which was established in 1950. Medical assistance for the aged, the fifth and most recently established grant program, was included in the Social Security Amendments of 1960. Federal funds for this program have been available only since October 1, 1960. In 1963, 31 States are expected to have approved plans for medical assistance for the aged.

LEGISLATION IN 1961 AFFECTING PUBLIC ASSISTANCE

The first session of the 87th Congress made several changes in the public assistance titles which resulted in an increase in the Federal share of State and local expenditures for assistance payments. The major changes include:

1. Permanent legislation, effective July 1, 1961, that increased Federal participation in old-age assistance on the basis of payments to suppliers of medical care to recipients of old-age assistance;

2. Temporary legislation, effective October 1, 1961, through June 30, 1962, that increased Federal participation in old-age assistance, aid to the blind, and aid to the permanently and totally disabled; and

3. Temporary legislation, effective May 1, 1961, through June 30, 1962, that broadened coverage of the program of aid to dependent children by providing Federal funds for assistance on behalf of children of unemployed parents and for children receiving aid to dependent children who, under specified conditions, are placed in foster family homes.

BUDGET FOR 1963

The request for 1963 is based on the assumption that the temporary amendments will be extended and will be in effect for all of 1963. The Congress also made changes in 1961 to the insurance provisions of the Social Security Act. These changes are expected to bring about a reduction in expenditures for old-age assistance below what they would otherwise have been in 1962 and succeeding years.

The appropriation request for 1963 is \$2,688,300,000, which is \$202.1 million more than the funds appropriated for 1962, plus a pro-

posed supplemental request of \$85 million. Included in the supplemental request for 1962 is \$3.5 million used from the 1962 appropriation to complete 1961 requirements. Thus the actual increase in requirements for 1963 over requirements for 1962 is \$205.6 million. Of the total increase in 1963 over 1962, \$112.5 million is for the program of medical assistance for the aged; \$59.8 is for aid to dependent children; \$17.9 is for old-age assistance; and \$15.4, for aid to the permanently and totally disabled. No increase is projected for aid to the blind. As a partial offset to the increases in public assistance costs resulting from the Social Security Amendments of 1960, these costs are expected to be lower than they would otherwise have been for both 1962 and 1963, as a result of 1960 and 1961 amendments to the insurance provisions of the Social Security Act.

PROGRAM LEVEL DEPENDENT UPON STATES

Under all the grant-in-aid programs, including the new program of medical assistance for the aged, the level at which the need for financial and other services is met depends on the States' determination of who should be helped and on the financial ability and willingness of the States to provide their share of the costs. The amount of the Federal grant to an individual State depends upon what the State itself spends. In this connection, I should like to point out that the supplemental request of \$85 million for 1962 represents a reduction of \$55 million from the amount of \$140 million included in the President's budget. The reduction is accounted for by the program of medical assistance for the aged for which the estimate has been reduced by \$25 million; and the program of aid to dependent children for which the estimate has been reduced by \$30 million. These changes do not affect the estimates for 1963 because for medical assistance for the aged, the amounts estimated for 1963 are based on estimates of available funds supplied by the States; and for aid to dependent children, on recent program trends, which indicate continuing growth in the permanent segment of the program beyond that anticipated when the President's budget was prepared; and for the temporary segment of the program continued growth based on the expectation that several large States will take advantage of the extension when it is made permanent.

EXPANSION OF AID TO DEPENDENT CHILDREN PROGRAM

In concluding this statement, I should like to summarize briefly major developments under the temporary amendments that broadened coverage of the aid to dependent children program to include children whose parents are unemployed.

In evaluating the States' response to this program extension it must be borne in mind that States providing assistance to families with an employable member under their general assistance programs could avail themselves of the offer of additional Federal funds under the aid to dependent children program without raising additional State funds for the State share of these payments. About two-thirds of the States fall in this group. Some of the States in this group, however, were deterred from extending coverage because of the temporary nature of the legislation.

In November 1961, 13 States provided aid to children of unemployed parents under their aid to dependent children programs. All but three of these States assist families with employable members under their general assistance programs. Since the beginning of the program extension, nearly half of the families approved for aid to dependent children were transferred from general assistance. The number of recipients has grown from 72,000 in May 1961, when four States made payments to this group, to almost 200,000 in November 1961.

It is gratifying to report that, to date, rapid turnover has occurred in this segment of the aid to dependent children program. Thus 37 percent of the cases approved for assistance had been closed by the end of November, more than two-thirds of them because the parent got a job. And of those who got jobs about two-thirds apparently found new jobs largely on their own initiative. The others either returned to former employment or were placed through employment security referrals.

Should the legislation be made permanent, it is likely that most of the remaining States that now help such families under their general assistance programs will take the necessary steps to bring them under the aid to dependent children program.

STATUS OF STATE PLANS

Mr. Chairman, in conclusion, I should like to mention the attachments to this statement, which show the status of State plans and actions with respect to programs of medical assistance for the aged, vendor medical payments in the program of old-age assistance, and implementation of the temporary amendments extending aid to dependent children to children of unemployed parents and providing for foster home care in selected aid to dependent children cases.

(The attachments referred to follow:)

ATTACHMENT 1

SPECIAL REPORT, FEBRUARY 12, 1962

Activities of the 54 jurisdictions to put into effect the new program of medical assistance for the aged

A. Programs in effect¹ (25 States):

Alabama (February)	Maryland	Puerto Rico
Arkansas	Massachusetts	South Carolina
California	Michigan	Tennessee
Hawaii (July)	New Hampshire	Utah
Idaho	New York	Virgin Islands
Illinois (August)	North Dakota	Washington
Kentucky	Oklahoma	West Virginia
Louisiana	Oregon	
Maine (October)	Pennsylvania	

B. Plan submitted; not in effect: None.

C. Legislation enacted; plan not yet submitted (3 States): Connecticut (effective Apr. 15, 1962), Guam^{2,3}, and Vermont.⁴

D. Legislation in process to give basis for program or to provide appropriation (2 States), bill introduced: New Jersey, and Virginia.

See footnotes at end of Attachment 1.

E. Need legislation (21 States) :

1961 session adjourned without action :

Alaska ²	Kansas	Ohio
Arizona ²	Minnesota	Rhode Island
Colorado	Missouri	South Dakota
Delaware ²	Montana	Texas
District of Columbia	Nebraska	Wisconsin ⁴
Florida	Nevada	Wyoming
Indiana	North Carolina	

Now in session, Mississippi.

F. Have authority for MAA ; not expected to implement in 1961-62 (3 States).

Georgia : Enacted 1961, no funds available.

Iowa : Enacted 1961, no appropriation.

New Mexico : Plan withdrawn, no appropriation.

¹ Plans of these States are approved except Alabama, Hawaii, Illinois, and Maine.² Do not have in operation vendor payment for medical care in OAA.³ Effective date not yet reported.⁴ Bill defeated.

ATTACHMENT 2

States' use of additional funds for old-age assistance medical care

A. States making vendor payment before September 1960 for medical care costs of old-age assistance recipients (43 States) :

1. Extent of coverage or content of services for OAA has been improved from level of September 1960 (22 States) :

Arkansas	Maine	Tennessee
California	Maryland	Utah
Connecticut	Michigan	Vermont
District of Columbia	Missouri	Virginia
Florida	Nevada	Virgin Islands
Idaho ¹	New Mexico	Washington
Iowa	Oklahoma	West Virginia
Louisiana		

2. Have expanded coverage to medically indigent aged not in need of money payment in OAA (4 States) :

Hawaii (effective July 1, 1961)

Indiana (effective January 1962)

North Carolina (effective May 1, 1961)

Ohio (effective November 1960) ²

3. No substantive change in scope of State's plan provisions from level of September 1960 (16 States) :

Colorado	Nebraska	Rhode Island
Illinois	New Hampshire	South Carolina
Kansas	New York	Wisconsin
Massachusetts ³	North Dakota ³	Wyoming
Minnesota	Oregon	
Montana	Pennsylvania	

4. Legislation needed to enable State to take full advantage of funds available (1 State) : New Jersey, bill introduced in 1961 session ; 1962 session began January 9.

¹ Nursing home care withdrawn from scope of OAA and provided in MAA.² Also expanded coverage and content of services for OAA.³ Short-term nursing home care reported for OAA ; long-term provided through MAA.

B. States not making vendor payment for costs of medical care in OAA before September 1960 (11 States) :

1. New provisions for vendor payment in operation (7 States) :

Alabama : Effective October–November 1960

Georgia : Legislation in 1961, effective January 1962

Kentucky : Legislation in 1960, effective January 1961

Mississippi : Effective April 1961

Puerto Rico : Effective October 1960

South Dakota : Effective August 1961

Texas : Legislation in 1961, effective January 1962

2. Have authority for vendor payments, but program not yet in operation (1 State) : Guam : Enacted 1961 ; details not reported.

3. Need legislation for making vendor payments ; 1961 legislature adjourned without action (3 States) : Alaska, Arizona, and Delaware.

ATTACHMENT 3

States' activities to implement aid to dependent children of unemployed parents

A. Programs in effect (all plans approved) (15 States) :

Connecticut	Massachusetts	Pennsylvania
Delaware	New York	Rhode Island
Hawaii	North Carolina	Utah
Illinois	Oklahoma	Washington
Maryland	Oregon	West Virginia

B. Legislation in process to give basis for program or to provide appropriation (one State) : Michigan : Bill under consideration ; 1962 legislative session.

C. Bills considered by 1961 legislature, not enacted (12 States) :

Alabama	Maine	New Mexico
Arizona	Minnesota	Ohio
Florida	Missouri	Vermont
Iowa	Nevada	

D. No action in 1961 ; no report on intention for action in 1962 (27 States) :

Alaska	Kansas	Puerto Rico
Arkansas	Kentucky	South Carolina
California	Louisiana	South Dakota
Colorado	Mississippi	Tennessee
District of Columbia	Montana	Texas
Georgia	Nebraska	Virgin Islands
Guam	New Hampshire	Virginia
Idaho	New Jersey	Wisconsin
Indiana	North Dakota	Wyoming

ATTACHMENT 4

Report on implementation of foster care provisions in ADC program, February 12, 1962

A. Programs in effect (11 States) :

Alabama	Maryland	Utah
California	North Carolina	West Virginia
Illinois ¹	Oklahoma	Wisconsin
Louisiana	Oregon	

B. Expected to be put into effect in near future (six States) :

Connecticut	Indiana	Vermont
Delaware	New Mexico	Virginia

C. Giving official consideration ; no decision as yet (seven States) :

Hawaii	Mississippi	Tennessee
Kentucky	North Dakota	
Maine	Rhode Island	

D. Considered by 1961 legislature ; not enacted (five States) :

Florida	Michigan	Nevada
Iowa	Minnesota	

¹ Has not submitted implementing plan material for Federal financial participation.

E. Not planning to implement in near future (25 States) :

Alaska	Massachusetts	Puerto Rico
Arizona	Missouri	South Carolina
Arkansas	Montana	South Dakota
Colorado	Nebraska	Texas
District of Columbia	New Hampshire	Virgin Islands
Georgia	New Jersey	Washington
Guam	New York	Wyoming
Idaho	Ohio	
Kansas	Pennsylvania	

Miss GOODWIN. I shall be glad to answer any questions you or other members of the committee may wish to raise.

1962 AND 1963 BUDGET REQUESTS

Mr. FOGARTY. Your appropriation for 1962 is \$2,401,200,000, and you have a proposed supplemental of \$85 million that is pending.

Miss GOODWIN. That is correct.

Mr. FOGARTY. You cut that down from \$140 to \$85 million?

Miss GOODWIN. Yes.

Mr. FOGARTY. That will make a total appropriation of \$2,486,000,000. Your request for 1963 is \$2,688,300,000, an increase of \$202,100,000.

The budget shows an estimated supplemental of \$140 million for 1962.

Miss GOODWIN. That was the original.

Mr. FOGARTY. What happened during the last couple of months to change the estimate to \$85 million? That is quite a change—\$55 million.

Miss GOODWIN. It did not really happen in the last couple of months, you know; it started quite a few months ahead of this time.

Mr. FOGARTY. Well, when was the \$140 million determined?

Mrs. WEST. The \$140 million was about mid-November or so when we had to firm that up.

Mr. FOGARTY. It was submitted to Congress in January.

Mrs. WEST. It had to be printed in the budget, you know, so we did not have information for so long a period as we had in January when we had to prepare the final supplemental.

Mr. FOGARTY. When did you change it from \$140 million to \$85 million?

Mr. KELLY. In January.

BASIS OF 1963 ESTIMATES

Mr. FOGARTY. Now, can we assume by that that we can reduce the request for 1963 by a similar percentage or similar amount?

Miss GOODWIN. As I said, the 1963 estimates for "Medical assistance for the aged" are based on the States reports of what money they have to spend on these programs; and it is particularly in the new extension of aid to dependent children, to children of unemployed parents, and in the medical programs that this reduction is pertinent.

Mr. FOGARTY. How many States have made that determination?

Miss GOODWIN. How many have made the determination?

Mr. FOGARTY. Yes.

Miss GOODWIN. I do not know how many specifically.

Mrs. WEST. I do not believe I got your question, Mr. Chairman.

Mr. FOGARTY. How many States have made that determination now as to how much they are going to have available in 1963? Many of the State legislatures are still in session. I am thinking about my own.

Mrs. WEST. This is based primarily on program trends and what the States have asked for so far this year.

Mr. FOGARTY. I see. What the States have asked for, not what their legislatures have acted on?

Mrs. WEST. We did get estimates from the States in the summer of 1961 as to what they expected to spend in 1962 and in 1963 for medical assistance for the aged. Now, that is one of our newest programs, and the expenditures are quite volatile under this program. They may get off to a slow start. Once the program builds up, it is likely to attain the dimensions the State expected it would have in 1963.

We have only three additional States that we expect to come in in 1963 that were not in the estimate for 1962, so there will be considerable momentum built up by 1963. We have no basis on which to change the State estimates for 1963.

Mr. FOGARTY. Will you give us what tables you have, then, State by State, as to how much they are going to request in 1963?

Mrs. WEST. They are included in the justification now.

Mr. FOGARTY. All right, we will put them in the record.

(The information referred to follows:)

*Estimated Federal share of expenditures for medical assistance for the aged,
fiscal year 1963*

Alabama-----	\$2, 261, 000	Nebraska-----	-----
Alaska-----	-----	Nevada-----	-----
Arizona-----	-----	New Hampshire-----	\$441, 000
Arkansas-----	2, 517, 000	New Jersey-----	7, 786, 000
California-----	44, 904, 000	New Mexico-----	-----
Colorado-----	-----	New York-----	64, 971, 000
Connecticut-----	3, 705, 000	North Carolina-----	-----
Delaware-----	-----	North Dakota-----	5, 386, 000
District of Columbia-----	-----	Ohio-----	-----
Florida-----	-----	Oklahoma-----	639, 000
Georgia-----	-----	Oregon-----	3, 018, 000
Guam-----	9, 000	Pennsylvania-----	13, 660, 000
Hawaii-----	237, 000	Puerto Rico-----	518, 000
Idaho-----	1, 554, 000	Rhode Island-----	-----
Illinois-----	5, 737, 000	South Carolina-----	1, 745, 000
Indiana-----	-----	South Dakota-----	-----
Iowa-----	-----	Tennessee-----	355, 000
Kansas-----	427, 000	Texas-----	-----
Kentucky-----	1, 121, 000	Utah-----	1, 078, 000
Louisiana-----	4, 916, 000	Vermont-----	397, 000
Maine-----	1, 335, 000	Virgin Islands-----	47, 000
Maryland-----	1, 139, 000	Virginia-----	-----
Massachusetts-----	31, 412, 000	Washington-----	843, 000
Michigan-----	8, 430, 000	West Virginia-----	14, 624, 000
Minnesota-----	-----	Wisconsin-----	8, 071, 000
Mississippi-----	-----	Wyoming-----	-----
Missouri-----	-----		
Montana-----	-----	Total-----	¹ 233, 283, 000

¹ Excludes \$17,000 representing the Federal share of collections and adjustments for prior years that the States will have available for expenditure during the year.

BUDGETARY AFFECT OF MEDICAL CARE FOR THE AGED

Mr. FOGARTY. What effect will the program of medical care for the aged under OASI, have on this budget?

Miss GOODWIN. It would substantially decrease the medical expenditures in both the medical assistance for the aged and the old-age assistance programs, after it is in full operation.

Mr. FOGARTY. Which program are you talking about now?

Miss GOODWIN. Well, medical care aspects of the public assistance programs that would be affected by the OASI medical proposal.

Mr. FOGARTY. The administration program?

Miss GOODWIN. That is what I assumed that you were asking about.

Mr. FOGARTY. Or the Kerr-Mills bill?

Miss GOODWIN. Oh, the Kerr-Mills bill; that is what we were talking about in terms of medical care for the aged, because it has two facets. One is the additional money for old-age assistance and the other is for the program of medical assistance for the aged.

Mr. KELLY. The effective date for the old-age insurance program, you understand, would be too late to affect the 1963 budget for public assistance.

BUDGETARY AFFECT OF TEMPORARY AMENDMENTS

Mr. FOGARTY. I see. All right.

Now, how much is in this budget on the assumption that the temporary amendments enacted in 1961 will be extended?

Mr. TRUELSON. Approximately \$98 million.

BASIS OF INCREASE FOR MEDICAL CARE FOR THE AGED

Mr. FOGARTY. By far the largest item of increase is for medical assistance for the aged, estimated to increase by \$105,200,000. Is that right?

Mr. TRUELSON. That is correct.

Mr. FOGARTY. Will you describe this program and tell us the basis for the estimated increase?

Miss GOODWIN. Well, in this program there are two bases for increase. One is, of course, the increase in the number of recipients as the individual State programs grow. One is a rather steady increase in the cost of medical care. And of course, also, the number of States participating.

There are 28 States expected to participate in 1962, and we anticipate there will be 31 in 1963.

INCREASED COST OF MEDICAL CARE

Mr. FOGARTY. Do you have any estimates of increased costs of medical care, say in a 5-year period, the last 5 years or 10 years?

Miss GOODWIN. We have figures on the cost of—

Mrs. WEST. Are you inquiring about the general cost of the increase in medical costs?

Mr. FOGARTY. Yes.

Mrs. WEST. Those are in the Consumer Price Index.

Mr. FOGARTY. Can you go back, say, 10 years and bring it up to date?

Miss GOODWIN. I do not know how far back that goes.

Mr. FOGARTY. Go back as far as you can. Go back 5 or 6 or 7 years, just to show the rate of increase.

Miss GOODWIN. We will be glad to submit it.

Mr. FOGARTY. The cost of medical care.

Mr. KELLY. I have them here for three aspects of medical care—physician's fees, hospital room rates, and prescription drugs.

Mr. FOGARTY. All right, let us have it.

Mr. KELLY. Using an index in which 1947-49 was 100, in 1951 total medical care prices were 111.1 and in 1960 they were 156.1.

Mr. FOGARTY. Well, give us a breakdown of it.

Mr. KELLY. The physician fees went from 108 in 1951 to 145.2 in 1960. Hospital room rates went from 126.9 in 1951 to 223.3 in 1960, and prescription drugs went from 106.9 in 1951 to 122.8 in 1960. The big increase occurred in hospital room rates.

BASIS FOR 1963 BUDGET

Mr. FOGARTY. Now will you put into the record a statement setting forth the basis for the estimate of each category of payments to recipients?

(The requested information follows:)

PAYMENTS TO OR ON BEHALF OF RECIPIENTS

NUMBER OF RECIPIENTS

For programs other than medical assistance for the aged, estimates of the numbers of recipients for 1963 are based on the most recent program trends and also take into account the reduction that will occur because of changes in the insurance provisions of the Social Security Act that were included in the 1961 Social Security Amendments.

Old-age assistance.—The number of recipients was estimated to decline from the number in June 1961 at an annual rate of 25,000, the current rate of decline exclusive of transfers to the program of medical assistance for the aged, for which no reliable basis for estimate is available. Reports received from the large State of California, which plans a program for medical assistance for the aged, indicate that transfers from old-age assistance to medical assistance for the aged will be more than offset by additional people coming onto the old-age assistance rolls as a result of program liberalization in old-age assistance. Information about projected programs for medical assistance for the aged in other States indicates that they are unlikely to have transfers from old-age assistance to medical assistance for the aged in numbers comparable to Massachusetts and New York. After projecting the decline indicated above, account was taken of the effect of the 1961 amendments to the insurance provisions of the act by reducing the average monthly number of recipients by 6,000 in 1962 and 15,000 in 1963.

Medical assistance for the aged.—The estimated number of recipients for both 1962 and 1963 is based on information supplied by State agencies in response to a specific inquiry from the Bureau.

Aid to dependent children.—For that part of the program administered under permanent legislation, two projections were made. One projection assumed that the economic recovery would be great enough to reduce the load below what might be expected on the basis of growth in the child population. The other, a less optimistic projection, assumed that the increase in 1962 would be about 60 percent of the 1961 increase. The estimate presented is the average of these two projections. With respect to aid on behalf of children whose parents are unemployed, it was assumed that the number of recipients would increase by somewhat more than a third above the number estimated for 1962, which would appear to be conservative in view of the fact that several large States are now aiding children of unemployed parents under their general

assistance programs and may be expected to extend their aid to dependent children programs to take in this group, if the Federal legislation is made permanent.

Aid to the blind.—Based on current program trends a small decline—1,000—in the number of recipients is projected from 1962 to 1963.

Aid to the permanently and totally disabled.—Based on recent program trends, it was estimated that, for programs now in operation, the average monthly rate of increase would drop by about 150 during each 6-month period from July 1, 1961, through the fiscal year 1963. The average monthly number for 1963 also includes an estimate for Indiana that will have an approved plan in that year.

AVERAGE PAYMENTS

Like the estimates of numbers of recipients, the estimated average monthly payments, except for the program of medical assistance for the aged, are based on recent program trends, modified to give effect to the Social Security Amendments of 1961.

Old-age assistance.—Based on recent program trends, average monthly payments of \$69.50 for 1962 and \$71.40 for 1963 were projected. After giving effect to the increase due to the temporary formula change and an increased amount for vendor medical payments made available under the 1961 amendments, the average became \$72.50 for the fiscal year 1963. The final average—\$70.35—reflects a downward adjustment that is projected to give effect to the 1961 amendments to the insurance provisions of the act under which assistance payments will be reduced for those who remain on the assistance rolls.

Medical assistance for the aged.—The average annual payment of \$520 for 1962 and \$550 for 1963 is based on information supplied by the States in response to a specific inquiry from the Bureau.

Aid to dependent children.—The average monthly payment per recipient projected for the permanent and temporary segments of the aid to dependent children program combined is \$31.59 for 1962 and \$32.60 for 1963. It is based primarily on program trends under the permanent segment of the program, which represents the preponderance of estimated expenditures in 1963.

Aid to the blind.—Based on current program trends, the estimates projected for 1962 and 1963 are \$74.05 and \$74.75, respectively.

Aid to the permanently and totally disabled.—Based on current program trends, estimates of \$69.60 for 1962 and \$71.75 for 1963 were projected.

STATE AND LOCAL ADMINISTRATIVE COSTS

Mr. FOGARTY. After hearing the Secretary testify on the changes requiring the States to do so much additional work in administering this program, I was surprised to see that you are estimating that the amount used for State and local administration in 1962 is going to be less than the amount appropriated. I thought, according to what he had to say, it would show a sharp increase.

Miss GOODWIN. Those changes are mostly not effective until July 1, 1962, which is in the fiscal year 1963.

Mrs. WEST. Miss Goodwin, may I speak to that point?

Miss GOODWIN. Yes.

Mrs. WEST. The comparisons, I think, that the chairman is making and the amounts appropriated were based on estimates that were made in the summer of 1960. We always have to go back to what is called presently available.

Miss GOODWIN. Not on the Secretary's administrative changes.

Mrs. WEST. I believe the chairman is talking about there being a drop, an estimated drop, in expenditures for administration; is that not correct, Mr. Chairman?

Mr. FOGARTY. Yes. I thought the Secretary said that he thought there would be an increase.

Mrs. WEST. Well, that drop shows up when you compare 1963 with the enacted appropriation for 1962, but it does not show up when compared with what we are asking for now, for 1962.

Mr. FOGARTY. Well, you show a decrease of \$8.3 million, is that right, in 1962?

Miss GOODWIN. In administrative costs.

Mr. TRUELSON. That is correct.

Mr. FOGARTY. How can you show such a big drop in 1962 and be getting ready to put all these changes in effect in 1963?

Miss GOODWIN. Are you comparing 1961 and 1962?

Mr. TRUELSON. Mr. Chairman, I think what you are referring to is that our budget submittal for 1962 we showed \$170,900,000.

Mr. FOGARTY. Right.

Mr. TRUELSON. For the Federal share of administrative costs.

Mr. FOGARTY. Right.

Mr. TRUELSON. Then we are now showing a revised amount for administration of \$162,600,000.

Mr. FOGARTY. Right.

Mr. TRUELSON. This is what he is referring to.

Mr. FOGARTY. You mean to say that all of these changes that the Secretary has been talking about for the last 6 months are not going into effect until July?

Miss GOODWIN. Of these, the one that relates to tightening the procedures on fraud will be in effect in April. We do not think this requires any appreciable increase in staff, because we think practically all States already meet this requirement. But it would not be a large expenditure, in any event.

The others are not effective until July 1. And they will even then not be effective fully until the States have an opportunity to develop their programs. They will have their plans made and be prepared to start, but they will not have incurred expenditures until they complete their procedures and their standards and recruit their staff.

Mr. FOGARTY. How sure are you that the States are going to do this in 1963 or 1964 or 1965?

Miss GOODWIN. All I can say to that is that all of our indications are of quite complete agreement on the part of the State welfare officials that these are objectives that they would like to meet and feel sure they will meet and they will do all they can.

The Secretary wrote to all of the Governors in regard to these and invited their comments directly and through the State administrators, and there were very few that were not constructive, helpful comments, very few that indicated any resistance to carrying forward these plans, which they believe are constructive.

SAVINGS THROUGH REVISED PROGRAM

Mr. FOGARTY. Do you have an estimate as to what savings might be accomplished through these suggested changes?

Miss GOODWIN. Well, I do not think there will be immediate savings. I think there will be savings over the long run, and I think that is what was anticipated by the Secretary.

Mr. FOGARTY. Do you really think in your own mind there are going to be substantial savings result from these changes?

Miss GOODWIN. Yes; I think so.

Mr. FOGARTY. I thought you had been telling us for some time now that the States were doing a pretty good job.

Miss GOODWIN. Well, that does not mean they cannot do a better job.

Mr. FOGARTY. If they were doing a pretty good job, these suggested changes are not going to result in substantial savings, are they?

Miss GOODWIN. Well, I would not expect—

Mr. FOGARTY. I just do not like to get away up in the clouds and claim these changes suggested by the Secretary are going to save hundreds of millions of dollars unless we have something to base that on.

Miss GOODWIN. I do not think the Secretary claimed that either.

Mr. FOGARTY. I cannot say that—

Mr. LAIRD. He has not opened his campaign in Connecticut yet.

Miss GOODWIN. He has said in the long run he believed there would be savings; also, there would be savings in human values.

Mr. FOGARTY. I understand that. We cannot expect substantial savings, can we?

NATURE OF CASELOAD

Miss GOODWIN. We have a caseload made up to a very large extent of people who will not return to industry.

The aged, the young children, the permanently and totally disabled, the blind and disabled fathers in ADC have been pretty thoroughly reviewed. This does not mean that they cannot be restored to a more complete self-care and live better and perhaps even cheaper, for example, if they can be returned to their own homes instead of living in nursing homes or hospitals where many of them are.

The savings that are hoped for are largely in the aid-to-dependent children program. And if the constructive things that are proposed only meant that we would be saving the next generation, I think they would be worthwhile. But I do believe that they will result in savings even before that; and I think it is very hard to put a dollar value on it at this time.

There have been, as you know, quite a few small experiments around the country on special welfare services projects. This is not all new; there have been a good many States that have made experiments.

Mr. FOGARTY. When do you think the substantial savings in the ADC program will occur?

Miss GOODWIN. Well, I hope they will occur in making it possible for families that are now broken, particularly families where the father is deserting or where there is not a marriage to establish those families on a sounder basis and to enable the mother possibly to work part time or to do something, at least, that will restore her own self-respect.

PROFESSIONAL PERSONNEL

Mr. FOGARTY. Do you think we have the necessary professionally trained personnel to do this sort of a job?

Miss GOODWIN. No, sir; I do not think we do.

Mr. FOGARTY. In how many years do you think we would have a professionally trained staff throughout the country that could carry out these suggestions?

Miss GOODWIN. We are not assuming that we would have to have all the public assistance caseworkers professionally trained. We are

proposing, as you know, that the States classify the cases that are really in need of help in serious problems and that they assign their best caseworkers and supervisors to deal with those problems. The number of professionally trained workers is really pathetic in terms of the total caseload. Also, we are putting a good deal of emphasis on inservice training, hoping that, with help of faculties of schools of social work as well as the efforts of agencies themselves, such training will add a good deal to the skills of the staff they now have that will at least help them to help with the more simple and everyday problems.

Of course, in many places just reducing the caseload would be a tremendous help; the staff they have, even with no more training, could do better if they had fewer cases because it really does take time to do anything constructive for a family.

Mr. FOGARTY. This is sort of a long-range project.

Miss GOODWIN. Yes, it is.

Mr. FOGARTY. Mr. Laird?

Mr. LAIRD. I have no questions.

GRANTS TO STATES FOR TRAINING OF PUBLIC WELFARE PERSONNEL

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities: Grants to States for training of public welfare personnel (total program costs—obligations) (object class 41)			\$3,500
Financing: New obligational authority (appropriation)			3,500

Mr. FOGARTY. Do you have a statement on "Grants to States for training of public welfare personnel"?

GENERAL STATEMENT

Miss GOODWIN. Yes. An amount of \$3,500,000 is requested for grants to States in 1963 for a program of training and instruction in professional and technical fields relating to the administration of the public assistance programs. The Social Security Amendments of 1956 added a new section 705 to the Social Security Act authorizing grants to States for a 5-year period—fiscal years 1958 through 1962—for increasing the number of trained public welfare personnel. The Federal share was to be 80 percent of the States expenditures in carrying out the purpose of the law. Appropriations under the authorization, although requested, have not been made by Congress, and thus the program has never become operative.

AUTHORIZING LEGISLATION

Public Law 87-31, approved May 8, 1961, amended the training grant authority to provide for 100-percent Federal funds and to extend the 5-year authorization by 1 year; that is, through fiscal year 1963. Since funds have never been appropriated under this authority, 1963 will be the first year—if funds are appropriated—for carrying

out the training program contemplated when the legislation was enacted in 1956.

We believe the availability of funds for training grants will significantly aid the Bureau and the States in our efforts to train staff, particularly in the low-income States which are faced with very substantial demands on limited revenues to meet public assistance costs. These States must carefully weigh spending of their limited resources between assistance and administration, and therefore find it difficult to allocate their own funds for training on any matching basis.

SHORTAGE OF TRAINED PERSONNEL

The shortage of professionally trained social workers in the public assistance programs is acute; it is becoming more so as the programs are expanding and becoming more complex. The recent announcement by the Secretary of Health, Education, and Welfare calling for more emphasis on welfare services directed toward the preventive and rehabilitative aspects of public welfare, specifically recognized the alarming shortage of professionally trained staff in the public assistance programs. He further noted that trained staff is essential if difficult problems such as illegitimacy, deserting fathers, and protective services for children and the aging are to be dealt with; that the central core of proper and efficient administration is personnel—adequate in number and appropriately trained to do the job required.

The need for trained personnel was also a major concern of the Advisory Council on Public Assistance. In its report to Congress in December 1959, it noted that public assistance agencies are handicapped in competing with other social work agencies because of the relatively large and difficult workloads its workers must carry. The Council also stated:

Some persons are accepted and remain on public assistance for want of intensive effort directed toward solving their employment, family housing, emotional, or physical health problems.

It takes professional training, skill, and experience to help human beings in trouble. But in a survey of social welfare manpower, made in 1960 by the Bureau of Labor Statistics in cooperation with this Bureau and the Children's Bureau, the scanty supply of trained social welfare personnel was reaffirmed. Only 13 percent of the administrative and supervisory personnel in public assistance agencies have full professional training. Among caseworkers who are primarily in public assistance, only slightly more than 1 percent have full professional education—fewer than in 1950, when a similar manpower survey was made.

The public assistance field at the present time has approximately 35,000 individuals in administrative, supervisory, and caseworker positions. It seems apparent that any program requiring the sort of skill and judgment in human relations necessary to administering services to troubled people needs a reasonable proportion of persons with special skill and ability. Training grants offer an important method for increasing the number of skilled persons—particularly, by providing the opportunity for professional training for many able people now employed in public welfare programs but not adequately qualified for responsibilities requiring high skill and judgment.

It is estimated the funds requested for 1963 will permit the States to provide 600 academic fellowships and traineeships, and study opportunities through short-term study groups or seminars for approximately 800 employees of State and local public assistance agencies.

Mr. Chairman, I shall do my best to answer any questions the committee may have.

HISTORY OF LEGISLATION AND APPROPRIATION REQUESTS

Mr. FOGARTY. Miss Goodwin, I think we ought to do something in this field. This is the fourth time you have tried, and your request is for \$3½ million. Do you have any reason to be more optimistic this year than you were last year about getting an appropriation?

Miss GOODWIN. We are really caught between two expressions of the will of Congress. One is that it has twice passed legislation authorizing this activity and, on the other hand, the appropriations have not been available.

We strongly believe that it is necessary, if the public assistance programs are to serve their real purpose and not become just routine—that there be money available for training.

Now, I think that with the special objectives which the Secretary has set, which we are discussing before, it is exceedingly important that we have an opportunity to do the best we can, and as much as we can to provide people who are trained to deal with the kinds of problems that are identified, and particularly the problems in the aid to dependent children program, but also in some of the other programs, too. If we can focus on the things that are of special need in the ADC program, this will perhaps have a more immediate importance.

Mr. FOGARTY. Is this request any different or this plan any different from the other three that have been advanced?

Miss GOODWIN. This appropriation is based on the present legislation, not on the legislation which is before the Ways and Means Committee.

Mr. FOGARTY. I mean is the plan any different than in 1958?

Miss GOODWIN. Yes; because in 1961 the authority was amended.

Mr. FOGARTY. That authority runs out at the end of fiscal year 1963?

Miss GOODWIN. Yes; this is the last year.

PENDING LEGISLATION

Mr. KELLY. The pending legislation, however, makes provision for extending it, with some modifications.

Miss GOODWIN. That would be a different program.

Mr. LAIRD. Mr. Chairman, could we have a copy of the pending legislation, and their analysis of it?

Miss GOODWIN. Yes. We have them. May we submit those, or do you want them now?

Mr. LAIRD. No; that is all right.

Mr. FOGARTY. Put them in the record right at this point.

(The prints referred to follows:)

[H.R. 10032, 87th Cong., 2d sess.]

A BILL To extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Welfare Amendments of 1962".

DECLARATION OF PURPOSE

SEC. 2. The purpose of this Act is to amend and improve the Federal-State cooperative public welfare programs through a new, constructive approach which recognizes State responsibility for development of realistic and sound public welfare programs and provides the States with more flexibility in developing such programs in the light of their particular needs and conditions, and which emphasizes—

(1) Services—services to help families become self-supporting and independent.

(2) Prevention—prevention of dependency by dealing with the problems causing dependency.

(3) Incentives—incentives to recipients of public assistance to improve their condition so as to make public assistance unnecessary and incentives to the States to improve their welfare programs.

(4) Rehabilitation—services to rehabilitate recipients or those likely to become recipients of public assistance.

(5) Independence—useful community work and training programs and other measures to assist recipients to become self-supporting and able to care for themselves.

(6) Training—assistance in the provision of training in order to increase the supply of adequately trained public welfare personnel, this being necessary for achieving the foregoing objectives.

TITLE I—PUBLIC WELFARE AMENDMENTS

PART A—IMPROVEMENT IN SERVICES TO PREVENT OR REDUCE DEPENDENCY

SERVICES AND OTHER ADMINISTRATIVE COSTS UNDER PUBLIC ASSISTANCE PROGRAMS

Federal Financial Participation in Costs of Services

SEC. 101. (a) (1) Section 3(a) of the Social Security Act is amended by striking out paragraph (4) and inserting in lieu thereof:

"(4) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of such expenditures which are for—

"(i) services which are prescribed pursuant to section 2(a) (10) and are provided (in accordance with the next sentence) to applicants for or recipients of assistance under the plan to help them attain or retain capability for self-care, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

"(iii) such of the services prescribed pursuant to section 2(a) (10), and of the services specified as provided in clause (ii), as the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of assistance under the plan, and which are provided to such individuals in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of such expenditures (not included under subparagraph (A)) for service provided (in accordance with the next sentence) to individuals who are or, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of assistance under the plan; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in paragraph (4) (A) and (B) of the preceding sentence shall include only—

"(5) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision, and

"(6) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided by the State agency by contract with nonprofit private agencies, and

"(7) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies).

The portion of the amount expended for administration of the State plan to which such paragraph (4) (A) applies and the portion thereof to which paragraph (4) (B) and (C) of such sentence applies shall be determined in accordance with such methods and procedures as may be permitted by the Secretary."

(2) Sections 403(a) of such Act is amended by striking out clause (3) and inserting in lieu thereof: "(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of such expenditures which are for—

"(i) services which are prescribed pursuant to section 402(a) (12) and are provided (in accordance with the next sentence) to any relative, specified in section 406(a), with whom any dependent child (applying for or receiving aid to families with dependent children) is living in order to help such relative attain or retain capability for self-support or self-care, or services which are so prescribed and so provided in order to maintain and strengthen family life for any such child, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to any such child or relative, or

"(iii) such of the services prescribed pursuant to section 402(a) (12), and of the services specified as provided in clause (ii), as the Secretary may specify as appropriate for any relative, specified in section 406(a), with whom any child (who, within such period or periods as the Secretary may prescribe, has been or is likely to become an applicant for or recipient of aid to families with dependent children) is living, or as appropriate for such a child, and which are provided to such relative or child in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of such expenditures (not included under clause (A)) for services provided (in accordance with the next sentence) to any child who is or, within such period or periods as the Secretary may prescribe, has been or is likely to become an applicant for or recipient of aid to families with dependent children, or so provided to any relative, specified in section 406(a), with whom such a child is living; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in clause (3) (A) and (B) of the preceding sentence shall include only—

"(4) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision, and

"(5) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided by the State agency by contract with nonprofit private agencies, and

"(6) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local or nonprofit private agencies).

The portion of the amount expended for administration of the State plan to which such clause (3)(A) applies and the portion thereof to which clause (3) (B) and (C) of such sentence applies shall be determined in accordance with such methods and procedures as may be permitted by the Secretary."

(3) Section 1003(a) of such Act is amended by striking out clause (3) and inserting in lieu thereof: "(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 percentum of such expenditures which are for—

"(i) services which are prescribed pursuant to section 1002(a) (13) and are provided in accordance with the next sentence) to applicants for or recipients of aid to the blind to help them attain or retain capability for self-support or self-care, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

"(iii) such of the services prescribed pursuant to section 1002(a) (13), and of the services specified as provided in clause (ii), as the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid to the blind, and which are provided to such individuals in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of such expenditures (not included under clause (A)) for services provided (in accordance with the next sentence) to individuals who are or, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid to the blind; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in clause (3) (A) and (B) of the preceding sentence shall include only—

"(4) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision, and

"(5) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided by the State agency by contract with nonprofit private agencies, and

"(6) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies).

The portion of the amount expended for administration of the State plan to which such clause (3) (A) applies and the portion thereof to which clause (3) (B) and (C) of such sentence applies shall be determined in accordance with such methods and procedures as may be permitted by the Secretary."

(4) Section 1403(a) of such Act is amended by striking out clause (3) and inserting in lieu thereof: "(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of such expenditures which are for—

"(i) services which are prescribed pursuant to section 1402(a) (12) and are provided (in accordance with the next sentence) to applicants for or recipients of aid to the permanently and totally disabled to help them attain or retain capability for self-support or self-care, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

"(iii) such of the services prescribed pursuant to section 1402(a) (12), and of the services specified as provided in clause (ii), as the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid to the permanently and totally disabled, and which are provided to such individuals in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of such expenditures (not included under subparagraph (A)) for services provided (in accordance with the next sentence) to individuals who are or, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid to the permanently and totally disabled; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in clause (3) (A) and (B) of the preceding sentence shall include only—

"(4) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision, and

"(5) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided by the State agency by contract with nonprofit private agencies, and

"(6) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies).

PART B—IMPROVEMENT IN ADMINISTRATION THROUGH TRAINING, DEMONSTRATIONS, AND PUBLIC ADVISORY GROUPS

INCREASE IN ADEQUATELY TRAINED WELFARE PERSONNEL

SEC. 121. (a) Title IV of the Social Security Act is amended by adding after section 409 (added by section 105 of this Act) the following new section:

"INCREASE IN ADEQUATELY TRAINED FAMILY WELFARE PERSONNEL

"SEC. 410. (a) In order to assist in increasing the effectiveness and efficiency of administration of State plans for aid and services to needy families with children by increasing the number of adequately trained public welfare personnel available for work primarily with families with an unmarried or deserting parent and for work in preserving and strengthening family life, there are au-

thorized to be appropriated for the fiscal year ending June 30, 1963, and each fiscal year thereafter such sums as the Congress may determine.

"(b) Sums appropriated under subsection (a) shall be available to enable the Secretary to provide (1) directly or through grants to or contracts with public or nonprofit private institutions of higher learning, for training personnel who are employed or preparing for employment in the administration of State plans for aid and services to needy families with children, and who are to work primarily with families with an unmarried or deserting parent and in preserving and strengthening family life, (2) directly or through grants to or contracts with public or nonprofit private agencies or institutions, special courses of study or seminars of short duration (not in excess of one year) for training of such personnel, and (3) directly or through grants to or contracts with public or nonprofit private institutions of higher learning for establishing and maintaining fellowships or traineeships for such personnel at such institutions, with such stipends and allowances as may be permitted by the Secretary.

"(c) Payments under subsection (b) may be made in advance on the basis of estimates by the Secretary, or may be made by way of reimbursement, and adjustments may be made in future payments under this section to take account of overpayments or underpayments in amounts previously paid.

"(d) The Secretary may, to the extent he finds such action to be necessary, prescribe requirements to assure that any individual will repay the amount of his fellowship or traineeship received under this section to the extent he fails to serve, for the period prescribed by the Secretary, with a State or political subdivision thereof, or with the Federal Government, in connection with administration of the program established by this title. The Secretary may relieve any individual of his obligation to so repay, in whole or in part, whenever and to the extent that requirement of such repayment would, in his judgment, be inequitable or would be contrary to the purposes of any of the public welfare programs established by this Act."

(b) No appropriation shall be made under section 705(a) of such Act for any fiscal year ending after June 30, 1962.

(c) (1) Section 526(a) of such Act is amended by inserting before the period at the end thereof "; and for grants by the Secretary to public or other nonprofit institutions of higher learning, and other public or other nonprofit institutions and agencies engaged in child welfare activities, for special projects for training personnel for work in the field of child welfare, including traineeship with such stipends and allowances as may be permitted by the Secretary".

(2) The heading of section 526 of such Act is amended by inserting "TRAINING," after "RESEARCH".

ANALYSIS OF THE PUBLIC ASSISTANCE TRAINING PROVISIONS IN THE PUBLIC WELFARE AMENDMENTS OF 1962 (H.R. 10032)

Two provisions for financing the training of technical and professional personnel under the public assistance titles of the Social Security Act are provided for in the proposed Public Welfare Amendments of 1962 (H.R. 10032). One (sec. 101 of the bill) would permit States to claim 75 percent matching for the costs of "the training of personnel employed or preparing for employment" in State or local public welfare agencies. This would apply to all of the public assistance titles of the Social Security Act. The Federal contribution at the 75-percent rate would stimulate the States in the training of additional public welfare personnel in State and local welfare agencies so as to move further in providing services to prevent or reduce dependency.

The other provision (sec. 121 of the bill) would replace the existing authorization (sec. 705 of the Social Security Act, as amended) for the appropriation of 100-percent Federal grants to States for training (under which no funds have ever been appropriated). An appropriation for an unspecified amount would be authorized for the training of personnel who would work in the aid and services to needy families with children¹ program "primarily with families with an unmarried or deserting parent and in preserving and strengthening family life." This activity would be 100-percent federally financed, and is similar to

¹ H.R. 10032 would change the heading of title IV of the Social Security Act from "Aid to Dependent Children" to "Aid and Services to Needy Families With Children."

other Federal statutes for use of Federal funds for training social workers in the mental health, medical social work, and vocational rehabilitation fields. Funds would be administered by the Department of Health, Education, and Welfare either directly or through grants to or contracts with (1) public or non-profit institutions of higher learning for undergraduate or graduate training; (2) public or nonprofit agencies or institutions for "special courses of study or seminars of a short duration (not in excess of 1 year)"; and (3) public or non-profit private institutions of higher learning "for establishing or maintaining fellowships or traineeships for such personnel at such institutions with such stipends and allowances as may be permitted by the Secretary." This is similar to the training programs of the National Institute of Mental Health and the Office of Vocational Rehabilitation. The training provisions would be effective July 1, 1962, and would eliminate the authority for appropriations under section 705 of the Social Security Act, as amended.

NEED FOR REQUESTED FUNDS

Mr. FOGARTY. How will your program be affected if Congress does not go along with this requested \$31½ million?

Miss GOODWIN. Well, I suppose it will mean that we will—

Mr. FOGARTY. How will it affect the program?

Miss GOODWIN. It will mean that the States will have to continue to make do as well as they can with the in-service training and educational leave with what they are able to do on a 50-50 matching basis for training. Now, they have—

STATES PARTICIPATING IN MATCHING FORMULA TRAINING PROGRAM

Mr. FOGARTY. How many States have a training program under this 50-50 matching basis?

Miss GOODWIN. Almost all States do. In 1961 we made a tabulation of the number of employees who were on educational leave, which was one of the major expenditures for training. There were 577 employees on educational leave.

Mr. TRUELSON. All but 16 jurisdictions had employees on educational leave with salary. They may have had other kinds of training activity—in-service training, and so forth.

Miss GOODWIN. I think nearly all States have some in-service training, more extensive in some than others.

Mr. FOGARTY. I thought that the States were not too cooperative on this 50-50 matching basis, and that is why the legislation was changed to 100 percent.

Miss GOODWIN. Well, there has been that impression, but I think we have never felt that was entirely true. The States have chosen to do perhaps more in their inservice programs than in educational leave. Sometimes they have used other sources for educational leave, where there are other programs that do provide for this.

But we think that the steady increase from 421 persons in 1958 to 577 in 1961, on the 50-50 matching basis, is fairly substantial.

Of course, States cannot send a great many people on educational leave at once, because they have to keep their programs going at the same time.

Mr. FOGARTY. Mr. Denton?

CONSOLIDATION OF WELFARE AND SOCIAL SECURITY PROGRAMS

Mr. DENTON. I agree with you that you need trained personnel. But here is the point that worries me. And I brought this up this morning. When this program was enacted, we were told that welfare was just a stopgap, that in a relatively short time this would be just one program, which would be social security. Maybe I am laboring under a delusion, but I am still hopeful that what I was told when this act was passed 30 years ago is a fact. What is going to become of all these trained workers if we train a great many workers and the two programs consolidate? You do not need the welfare workers under social security?

Miss GOODWIN. The shortage of trained social workers in the whole field in volunteer and public agencies is so great that there would not be anybody out of a job.

Mr. DENTON. Now, take in my State; in every county there are quite a number of welfare workers. I am just wondering what will become of them if you consolidate the system.

Miss GOODWIN. Well, I do not think there are very many trained workers in your State, sir, that would not be able to find jobs very easily.

However, I am sure you are thinking of old-age assistance primarily, and that is not the program in which the greatest problems occur and in which the skills of the social workers are immediately most needed.

Mr. DENTON. Of course, we are hopeful that the whole program will get under social security some time. Of course, we do pay benefits for children under social security, and disability benefits are paid under social security now.

Miss GOODWIN. Some children, yes. For children who are orphaned. But that is not the whole segment of children who are in need.

Mr. DENTON. Well, what is your opinion about putting them all under social security?

Miss GOODWIN. Well, I think this is something that many people have considered. I am not an expert on what would be involved in putting them under social security.

We are committed in our part of the social security program, as well as elsewhere, to the principle that so far as it is at all possible to provide for peoples' needs through social insurance based on the payment of wages, that should be done.

Mr. WYNKOOP. Mr. Denton, between 1950 and 1961, the number of recipients of old-age assistance has dropped from 2,810,000 to 2,273,000. At the same time, sir, we have had an 88-percent increase in the aged population. The declining number of recipients under these circumstances is due to the impact of the OASDI program.

Miss GOODWIN. Mr. Denton, perhaps you would see this more in a graphic presentation. You probably do not want to use this chart for the record, but this does give you an idea of what has happened in the increase in the population, as well as the increase in the old-age, survivors, and disability insurance program. A good many of the people who are still on the old-age assistance program are—

INEQUALITY IN WELFARE BENEFITS

Mr. DENTON. But I am very hopeful that you will work toward getting them under one program, because welfare is rather unfair. In some States the benefits are much larger than they are in the State I represent. As a matter of fact, my State has rather low benefits compared to the others. And I do not think it is fair to the individuals for one State to pay large benefits and another State to pay poor benefits out of the same fund.

Miss GOODWIN. Well, beyond a certain point, the States do that at their own expense, because the Federal formula for old-age assistance favor the States that have low incomes and correspondingly make low payments.

Mr. DENTON. Of course, there is the question of the support for children.

Miss GOODWIN. That is true.

Mr. DENTON. And a number of other things that are different in one State and the others.

Miss GOODWIN. This the Congress has guarded jealously in terms of the rights the States have to make these decisions in their programs.

Mr. DENTON. Well, we are paying the bill just the same in my State and not getting the benefits, say, that you are in Louisiana and Colorado—just to mention two States.

Miss GOODWIN. Well, your State has the option on that.

CHILD DESERTION BILL

Mr. DENTON. Now, one other thing. I think I have asked you about this before; but I have a bill, so-called "runaway pappy" bill, to prosecute fathers in the Federal courts that do not support their children. What do you think about that legislation?

Miss GOODWIN. Well, I think I have answered this several times before. I think this is for Congress to decide in terms of where they want to put the legislative responsibility. This is something that has ordinarily been thought of as a State responsibility.

I feel very strongly that parents ought to support their children, but whether or not this type of legislation is the most effective kind, I do not know.

Mr. DENTON. I will tell you why I asked you that. Because the present Secretary of HEW said he was strong for my bill.

Miss GOODWIN. Yes, I know he did.

Mr. DENTON. And we have not had that assurance from secretaries heretofore.

I think that is all.

EXPENDITURES FOR TRAINING WELFARE PERSONNEL

Mr. LAIRD. How much was expended this last year on training public welfare personnel?

Mr. TRUELSON. In fiscal year 1961, there was a total expenditure for educational leave of \$975,415. That is total—Federal, State and local funds.

Mr. LAIRD. How much Federal?

Mr. TRUELSON. It would be approximately half, in the neighborhood of \$485,000.

Mr. LAIRD. What State took the greatest portion of that?

Mr. TRUELSON. New York.

Mr. LAIRD. Are they listed any place in the justifications?

Mr. TRUELSON. We have a table that we can insert.

Mr. LAIRD. Perhaps you can put that in the record at this point.

Mr. TRUELSON. Yes, sir.

(The table referred to follows:)

Employees working in State and local public assistance programs on educational leave during fiscal years 1958-61 by year and leave status

State	Fiscal year 1958				Fiscal year 1959				Fiscal year 1960				Fiscal year 1961			
	Employees on educational leave			Total expenditures for educational leave	Employees on educational leave			Total expenditures for educational leave	Employees on educational leave			Total expenditures for educational leave	Employees on educational leave			Total expenditures for educational leave
	Total	With salary and/or other expenses	Without salary and/or other expenses		Total	With salary and/or other expenses	Without salary and/or other expenses		Total	With salary and/or other expenses	Without salary and/or other expenses		Total	With salary and/or other expenses	Without salary and/or other expenses	
Total.....	421	329	92	\$658,237	439	320	119	\$668,945	505	399	106	\$849,605	577	521	56	\$875,415
Alabama.....	3	3	0	4,346	0	0	0	0	4	4	0	6,913	11	8	3	14,400
Alaska.....	1	1	0	3,141	1	1	0	3,156	0	0	0	0	1	1	0	4,795
Arizona.....	1	1	0	2,285	6	6	0	15,780	1	1	0	2,375	1	1	0	3,839
Arkansas.....	2	2	0	3,075	1	1	0	2,292	0	0	0	0	1	1	0	1,898
California.....	29	12	17	33,600	48	7	41	16,500	36	3	33	12,000	15	14	1	33,800
Colorado.....	13	12	1	13,100	7	2	5	6,996	6	1	5	2,000	22	21	1	21,075
Connecticut.....	8	7	1	25,120	7	4	3	11,890	7	4	3	15,615	5	3	2	12,400
Delaware.....	0	0	0	0	0	0	0	0	0	0	0	0	(2)	(2)	0	(2)
District of Columbia.....	9	8	1	13,620	4	4	0	7,712	2	1	1	1,700	0	0	0	0
Florida.....	3	2	1	750	0	0	0	0	0	0	0	0	0	0	0	0
Georgia.....	8	8	0	19,200	10	8	2	19,200	10	9	1	19,466	9	7	2	16,800
Hawaii.....	(2)	(2)	0	0	(2)	0	(2)	0	6	6	0	13,749	1	1	0	3,886
Idaho.....	6	5	1	9,488	4	3	1	2,397	9	4	5	4,754	2	2	0	3,65
Illinois.....	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indiana.....	139	137	2	180,000	36	36	0	126,000	39	39	0	115,819	155	150	5	124,482
Iowa.....	14	13	1	18,300	23	22	1	70,000	18	18	0	60,000	15	15	0	50,530
Kansas.....	8	8	0	24,500	8	8	0	24,143	11	11	0	31,930	8	7	1	21,784
Kentucky.....	0	0	0	0	0	0	0	0	3	0	3	0	0	0	0	0
Louisiana.....	17	17	0	13,300	5	5	0	8,100	10	10	0	19,200	10	10	0	21,700
Maine.....	13	12	1	17,500	3	3	0	6,359	5	5	0	14,253	8	8	0	33,487
Maryland.....	29	29	0	(2)	37	37	0	(2)	38	38	0	(2)	21	21	0	(2)
Massachusetts.....	0	0	0	0	6	0	6	0	0	0	0	0	0	0	0	0
B.....	24	23	1	9,308	11	10	1	7,234	4	3	1	457	7	7	0	4,051
Michigan.....	0	0	0	0	(2)	0	(2)	0	0	0	0	0	6	0	6	0
Minnesota.....	16	10	6	10	0	0	0	0	1	0	1	0	1	0	1	0
Mississippi.....	26	26	0	67,379	7	7	0	18,536	4	4	0	14,084	9	8	1	32,260

REASON FOR 100 PER CENT FEDERAL FUNDING OF TRAINING

Mr. LAIRD. Now, you have come to the Congress on several occasions and asked for this appropriation. At one time you were asking for 80 percent Federal, 20 percent State. Most recently you have come to the Congress asking for 100 percent Federal. My questions is: Why do you think this is going to encourage the States? Do you feel it is just a question of financing and the Federal Government is better able to pay for it than the States? Or what is the reason for this?

Miss GOODWIN. Well, there are some things that can be done by 100 percent that cannot be done through the 80 percent.

Mr. LAIRD. What are they?

Miss GOODWIN. There are some arrangements that can be made for schools of social work that could cover more than one State if the money is all Federal, for example, where you can make a co-operative arrangement. The States have a little more freedom sometimes in the use of the money if it is 100 percent. Now, this is not—

Mr. LAIRD. But these grants will be to the State.

Miss GOODWIN. Yes, that is right.

Mr. LAIRD. And if it is 100 percent, three or more States could get together, is that right?

Miss GOODWIN. Yes, that is correct.

Mr. LAIRD. Why could they not get together if it was 50-50?

Miss GOODWIN. Well, I think you would recognize it is more complicated to go to the legislatures and make such arrangements than it is if they have the money in a separate grant.

Mr. LAIRD. More complicated?

Miss GOODWIN. For the States.

Mr. LAIRD. For the States because they cannot bypass the legislature unless it is 100 percent?

Miss GOODWIN. Oh, no; we would not let them bypass the legislature anyway.

Mr. LAIRD. Then what is this business of going to the legislature?

Miss GOODWIN. Well, they would not have to ask the legislature for a specific appropriation. We would not accept any plan that was not within the State law and appropriately approved. But there are many provisions. We did not initiate this idea of the 100 percent. There was considerable feeling that the 80 percent did not offer enough more than 50 percent and that, therefore, the Congress was reluctant to make appropriations at a differential that would not make any substantial additional contribution.

So that it was raised—this was not by something submitted by us.

Mr. LAIRD. Do you feel that this will improve the administration of the programs in the States?

Miss GOODWIN. Yes, indeed.

Mr. LAIRD. And could result in savings of welfare costs in the States?

Miss GOODWIN. I think so, over a long period; it would not be an overnight business.

Mr. LAIRD. But you do not believe the States believe that?

Miss GOODWIN. Yes, I think they do. And I think they are already doing a substantial amount, but it is not enough.

You see, the tide here has really increased tremendously in terms of the serious problems the States have to meet and the shortage of trained public welfare staff; it has gotten worse rather than better in the last 10 years.

Mr. LAIRD. But I should think the States realize that.

Miss GOODWIN. They do, and they are worried about it too.

Mr. LAIRD. But they are unwilling to spend a dollar on it.

Miss GOODWIN. Well, they are already spending a good deal. This educational leave is only for one aspect of their training programs, and they are doing a substantial amount in training now. But educational leave is a specific provision that we hope would increase the number of trained social workers. This is not unique to our program. It is present in quite a few other programs.

BASIC RESPONSIBILITIES OF ADMINISTRATORS AND LEGISLATURES

Mr. MITCHELL. Mr. Laird, I think there is a little difference between the attitude of the State welfare administrator and the State legislature. And it may differ by point of time. But when you refer to the State, the State is a great big thing with differences of opinion.

Mr. LAIRD. Well, as far as I am concerned, the decisions on programs are up to the elected officials of the State.

Mr. MITCHELL. That is right.

Mr. LAIRD. Not up to the public welfare administrator of the State. If the elected officials in those States, who we believe are representing the people of the State, are unwilling to spend any money on this program, it seems to me that there should be serious question whether we should go in with a 100 percent Federal program.

Miss GOODWIN. Mr. Laird, I do not think it is quite fair to the States to say they are unwilling to spend any money. They are already spending quite a little money, and I am quite sure they would continue to spend quite a little money.

What we would hope it would be is that this additional Federal money would be over and above what is now being expended.

Mr. LAIRD. But it is harder to raise Federal money now than it is State money.

Miss GOODWIN. Well, you would be more expert in that than I.

Mr. LAIRD. Well, when I look at the budget deficit we have this year of \$8 billion and a projected budget deficit of \$4 billion next year, I would begin to be a little bit concerned about it. We have a balanced budget in Wisconsin.

Miss GOODWIN. Well, your State of Wisconsin—and my State of Wisconsin, incidentally—spent \$34,550 last year on educational leave. They also have an arrangement with the university for giving classes at various points in the State, for which people can get 1 year of credit for their training. This is an excellent arrangement from their standpoint, and it does contribute a great deal to the number of persons in their program that have adequate training.

Mr. LAIRD. I can well understand the needs of trained welfare workers, and I think it is something that should be encouraged; but I have a serious question in my mind whether the Federal Government should step in here on a 100-percent basis when the States will not do it under the present matching arrangement we have.

COMPARISON WITH OTHER PROGRAMS

Mr. KELLY. Mr. Laird, may I say that this is not a unique situation in the whole area of health, education, and welfare training devices. There has been a fairly large assumption of responsibility by the Congress for the United States to think in terms of creating national resources of skilled manpower and the conduct of programs in the national interest. And we find this in connection with public health programs, in connection with our medical research programs, in connection with vocational rehabilitation programs. And in each of these instances, the expenditures are underwritten by the Federal Government to create a national resource of trained manpower that will be available to carry out programs that have been identified as being in the national interest. And I think that the welfare program is not significantly different in this respect as to objective.

Mr. LAIRD. Well, it has never been treated that way by the Congress.

Mr. KELLY. No, it has not, except in the legislation which has authorized this and which was an innovation—and, I think, in large respect applying the philosophies that had been incorporated into other programs.

Mr. LAIRD. I very seriously question that. This was the first break in the 50-50 formula as far as welfare grants for such purposes are concerned.

Miss GOODWIN. That is right.

PROPOSED CHANGE IN PROGRAM AUTHORIZATION

Mr. MITCHELL. Mr. Laird, to return to the 100-percent grant, did you realize—and I hope I am right; if I am not, please correct me—that the substantial portion of the 100-percent grants would be made directly to institutions for providing training for people who are in social work or who are preparing for social work activities?

Miss GOODWIN. That is the new legislation.

Mr. LAIRD. That is not the same program we had before.

Miss GOODWIN. That is right.

Let us say if the new program would become effective, this would be inoperative. We are submitting this on the basis of the old legislation which has 1 year to go, because we have no basis of knowing whether or not the new legislation will be passed.

Mr. LAIRD. I think, in view of that situation, perhaps we better not pursue this until we know for sure what the authorization is.

That is all I have, Mr. Chairman.

Mr. MITCHELL. It would be unfortunate, Mr. Laird, if it fell between "two stools".

Mr. LAIRD. If we do not know where we are going on the program, though, I do not see any point in pursuing the question.

Mr. MITCHELL. Well, in some parts—the major parts of the program on emphasizing services and rehabilitation—they are going to go ahead anyway. The administrative directions to the States are required activities for the most part that the States will have to conform to.

Mr. LAIRD. All right. Let us have a breakdown of the \$31½ million under the old program and a breakdown of how you will be spending under the new program, then.

(The requested information follows:)

The following table provides the details on estimated requirements for 1963 based on existing authority, section 705 of the Social Security Act, as amended:

	Number of persons	Amount
1. Traineeships and fellowships:		
(a) Persons with employment status with public assistance agencies, at \$3,600.....	500	\$1, 800, 000
(b) Persons preparing for employment with public assistance agencies, at \$2,400.....	100	240, 000
2. Special study groups or seminars of short duration (approximately 65 sessions at \$4,000, for 20 to 25 persons attending 2 groups each).....	800	260, 000
3. Teaching grants at \$2,000 for each trainee (i.e., 600 by \$2,000).....		1, 200, 000
Total.....		3, 500, 000

Under the authorization of section 121 of proposed Public Welfare Amendments of 1962 (H.R. 10032) not less than \$3.5 million requested for 1963 would be used in the training of personnel who would work in the "aid and services to needy families with children program" (the new wording proposed in lieu of "aid to dependent children" for title IV of the Social Security Act). The type of training to be provided under this authority would include traineeships and fellowships, seminars and special study groups, and teaching grants comparable to the types of training contemplated and described above. The basic differences under the proposed legislation are: (1) The emphasis for training would be related principally to title IV where so many of the most difficult problems for which trained workers are needed exist; and (2) the training as well as the establishment and maintenance of fellowships and traineeships would be accomplished by the Secretary directly or through grants to or contracts with public or nonprofit private agencies and institutions of higher learning. Special courses of study or short seminars would also be authorized through grants or contracts.

ASSISTANCE FOR REPATRIATED U.S. NATIONALS

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....		36	51
Positions other than permanent.....		2	3
Total personnel compensation.....		38	54
12 Personnel benefits.....		3	4
21 Travel and transportation of persons.....		3	4
23 Rent, communications, and utilities.....		1	1
24 Printing and reproduction.....		2	1
25 Other services.....		339	423
Services of other agencies.....		1	1
31 Equipment.....		2	
41 Grants, subsidies, and contributions.....		375	387
Total costs—obligations.....		764	875

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....		6	6
Average number of all employees.....		4	6
Number of employees at end of year.....		6	6
Average grade.....		10.3	10.3
Average GS salary.....		\$9, 194	\$9, 332

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Mentally ill.....		339	423
2. Others.....		375	387
3. Administration.....		50	65
Total program costs—obligations.....		764	875
Financing: New obligational authority (appropriation).....		764	875

Mr. DENTON. Your next program is "Assistance for repatriated U.S. nationals."

We will be happy to hear your statement.

GENERAL STATEMENT

Miss GOODWIN. The amount of this appropriation request for 1963 is \$875,000 for carrying out two laws pertaining to assisting U.S. citizens returned from abroad because of destitution, mental illness, or other illness and who are without available resources.

Public Law 86-571, enacted in July 1960, authorizes the Department to provide for the reception and hospitalization in the United States of repatriated mentally ill U.S. nationals.

Public Law 87-64, enacted in June 1961, included a provision that added a new section to the Social Security Act relating to assistance for U.S. citizens returned from foreign countries for reasons other than mental illness. This legislation provides for developing plans and arranging for temporary assistance and care to U.S. citizens and their dependents who are identified by the Department of State as having returned, or been brought back, to this country because of destitution, illness, war, threat of war, invasion, or similar crisis and are without available resources.

1963 BUDGET INCREASES

The appropriation requested for 1963 represents an increase of \$111,000 over the funds appropriated for 1962 for carrying out these two laws. The increase is primarily to reflect a full year's operation of the several segments of the program which could not become operative in 1962 until funds were appropriated, which was in late September. Of the \$875,000 requested for 1963, an amount of \$423,000 has been estimated for the mentally ill segment of the program, \$387,000 for assisting repatriates other than the mentally ill, and \$65,000 for Bureau administrative costs.

EXPIRATION OF PART OF LEGISLATIVE AUTHORITY

I should like to note that in adding section 1113 to the Social Security Act—that is, the law covering repatriates other than the mentally ill—Congress also included a limitation to the effect that no temporary assistance may be provided under this section after June 30, 1962. The development of plans for such assistance—which includes plans related to persons repatriated because of war, threat of war, invasion, or similar crisis—is, however, a continuing responsibility. The budget includes funds for the entire program because the administration's legislative proposals provide for extension of the expiring legislation.

ASSISTANCE FOR U.S. NATIONALS RETURNING FROM CUBA

A large part of the estimate, \$300,000 is for assistance to needy U.S. citizens who have returned from Cuba. It is difficult to predict how many persons will require assistance during the remaining months of this fiscal year or in 1963, but we have estimated that the current level of approximately 140 cases will remain constant. In other words, we assume that to the extent new assistance cases are added, other cases will be closed. Based upon a current average monthly payment of \$137 per family, this results in an estimate for financial assistance to U.S. repatriates from Cuba of \$230,000. It is estimated that other costs on behalf of repatriates from Cuba for items such as transportation to places of former residence or to join relatives, medical care, and other goods and services will total \$70,000.

REPATRIATION OF MENTALLY ILL

There is only one other segment of the program for which operating experience provides a fairly precise basis for estimating. This relates to the group of mentally ill patients from Canada that have been in St. Elizabeths Hospital for a number of years and are now covered under Public Law 86-571. The estimate for this group of 51 patients is approximately \$178,000.

The balance of the estimate has been related to the number of referrals to the Bureau over a period of years for the very limited assistance that could be arranged for through non-Federal agencies because there were no Federal funds available. In fiscal year 1962 this part of the program did not begin to operate until October because of the delay in receiving funds.

Our estimate for assisting mentally ill repatriates for 1963, other than the hard-core group now in St. Elizabeths Hospital, is \$245,000 for an estimated 75 mentally ill repatriates requiring various degrees and types of hospitalization and services. For other ill repatriates and destitute ones, from countries other than Cuba, it is estimated a total of 120 families will require some form of assistance and that \$87,000 will be required for this group. An amount of \$65,000 is included in the estimate for financing six positions in the Bureau for administering the program.

Mr. Chairman, that concludes my statement. We shall do our best to answer any questions that you may have about the request.

SUMMARY OF BUDGET

Mr. DENTON. I believe you stated that the appropriation for 1962 was \$764,000, and the request for 1963 was \$875,000. That is an increase of \$111,000.

Miss GOODWIN. Yes.

Mr. DENTON. Now, this is a new program this year. Have you encountered any special problems?

Miss GOODWIN. I think you would have to say that almost everything is unexpected, almost every case that comes up is different in terms of the mental illness program and the persons who come back from foreign countries for reasons of destitution and physical illness.

In terms of those who come from Cuba, there is now beginning to be more of a pattern of the people who are coming than there was

until now. This is a temporary part of the repatriation program, but it will continue for a time.

Mr. DENTON. As a result of this experience, would you change either the 1962 or the 1963 estimates?

Mr. TRUELSON. This is our best estimate in terms of the trends in program.

Mr. DENTON. You don't think of any change because of the experience you had?

Mr. TRUELSON. No; and as far as the group coming from Cuba, it is pretty hard to predict that load. It has been on the average of 140 per month for the past several months.

Mr. DENTON. It is pretty hard to make a firm estimate?

Mr. TRUELSON. It is. Our experience so far indicates that we will probably need the full amount you mentioned.

EXPIRATION OF PART OF LEGISLATIVE AUTHORIZATION

Mr. DENTON. Now, you mentioned in your statement that part of this program expires as of the end of 1962?

Mr. TRUELSON. That, Mr. Denton, has to do with the amendment made last year in relation to section 1113 of the Social Security Act. That section concerns the general repatriation activity, that is, the persons that are destitute or physically ill, rather than mentally ill. Hospitalization and assistance for the mentally ill is permanent legislation; it is section 1113 that has to do with general repatriation.

Miss Goodwin mentioned a figure of \$387,000 for assistance. So it is that figure that applies to the expiring legislation for assistance.

Mr. FOGARTY. Why was it enacted a temporary program?

Mr. TRUELSON. As I recall in the hearings before the Senate, the Secretary indicated that all welfare programs of the Department were under review and he felt this should be reviewed likewise. It has since been recommended in the proposed legislation for permanent extension.

Mr. WYNKOOP. Practically everything else of a temporary nature also has the same termination date.

Mr. DENTON. You had better give me some figures.

Mr. KELLY. With respect to public assistance, the chairman did ask that we insert the figures. About 2 years ago the Budget Bureau adopted a new policy, I presume after some consultation with the Appropriations Committee. This policy was that whenever we have expired legislation we would include it under the regular portion of the budget, where in earlier years it used to be shown as "Proposed for later transmission."

You may recall the item for practical nurse training last year. It became an authorized appropriation, and this is a similar situation.

Mr. DENTON. How much of this appropriation is requested on the assumption that the act will be extended?

Mr. WYNKOOP. \$387,000 for assistance.

Mr. TRUELSON. Which would leave \$488,000.

Mr. DENTON. Your total amount is \$875,000.

Mr. TRUELSON. Right.

Mr. DENTON. How much to the mentally ill?

Mr. TRUELSON. \$455,000.

Mr. DENTON. The balance is on the assumption that this legislation be extended?

Mr. TRUELSON. That is right. \$387,000 for assistance.

Mr. DENTON. You have no authorization?

Mr. TRUELSON. That is right.

Mr. DENTON. Do the figures you gave include the administrative cost?

Mr. TRUELSON. Between the \$488,000 and the \$387,000, roughly about \$65,000 is for Bureau administration.

Mr. DENTON. Will you break that down?

Mr. TRUELSON. Yes.

(The information requested follows:)

Assistance for repatriated U.S. nationals—request for fiscal year 1963

Legislative authority	For assistance	For Bureau administration		Total funds
		Positions	Amount	
Public Law 86-571 (mentally ill repatriates).....	\$423, 000	3	\$32, 000	\$455, 000
Section 1113 of the Social Security Act as amended (repatriates other than mentally ill):				
Subsection (d) "Temporary assistance" ¹	387, 000	2	21, 000	408, 000
Subsection (b)—reception and assistance planning following mass evacuation.....		1	12, 000	12, 000
Total.....	810, 000	6	65, 000	875, 000

¹ In adding section 1113 to title XI of the Social Security Act, Congress² also included a limitation: "No temporary assistance may be provided under this section after June 30, 1962." Therefore, while the provision of assistance under this act is temporary, the development of plans for such assistance—which includes plans related to persons repatriated because of war, threat of war, invasion, or similar crisis—is a continuing responsibility. Legislative proposals now under consideration by the Congress would remove the limitation quoted above. This budget request reflects the assumption that this pending legislation will be enacted. An amount of \$408,000 of the total 1963 budget request is related to this assumption.

Mr. DENTON. Of course we can't appropriate money unless we have authorization.

Mr. KELLY. This is not unique with this bill, this is in all of the bills where there is expiring legislation.

Mr. WYNKOOP. Mr. Denton, of the \$387,000 related to the extension, \$40,000 is State agencies' administrative costs.

Mr. DENTON. Mr. Laird?

PLANNING FOR EVACUATION OF AMERICANS FROM FOREIGN COUNTRIES

Mr. LAIRD. I noticed here on page 70 of your justifications, and I would like to quote:

Work on the development of plans and procedures with respect to mass evacuation from foreign countries in the event of war or threat of war, part of Bureau's responsibility under new section 1113 of the Social Security Act, must be started as soon as possible. This will be a major undertaking in fiscal year 1963.

Now, it seems to me that development of plans and procedures for such an evacuation is the responsibility of the Defense and State Departments.

Miss GOODWIN. Our part in this is to supplement these plans in terms of reception of these people after they get to this country. There is as you know general, almost worldwide plans, in terms of how situations will be handled that require mass evacuation. We have been asked to act, and have functioned over a period of years, as consult-

ants in this in respect to reception in this country. This legislation gave us the authority to engage in developing plans that could be firmed up and supplemented.

We have an advisory group which includes State Department, Justice, and several branches of the Defense Department.

Mr. LAIRD. I understand your plans for reception, but I am questioning your plans for evacuation. That was your justification statement I just read. It speaks of mass evacuation, not reception.

Miss GOODWIN. Well, our part of it is reception, not the evacuation. The law reads plans in relation to mass evacuation, but we don't make the plans for evacuation itself.

Mr. LAIRD. Well, is this paragraph a little misleading then?

Miss GOODWIN. Possibly it could be clarified.

Mr. WYNKOOP. It is not clear.

Miss GOODWIN. It should be clear that we act only at the point of reception, after the evacuation has been made.

SCOPE OF EVACUATION-RECEPTION ACTIVITIES

Mr. LAIRD. This will be a major undertaking in fiscal 1963?

Miss GOODWIN. That is correct.

Mr. LAIRD. How much do you expect to spend?

Miss GOODWIN. We indicated that the Bureau administration of the entire repatriation program will involve about six people. What would you say?

Mr. TRUBELSON. We estimate the equivalent of one full-time person in this area.

Miss GOODWIN. This involves working out plans with several agencies in terms of keying our plans to theirs, so it is possible to have a network of planning, regardless of where the people come in, so that we will be prepared to pick up where the other agencies leave off.

Mr. LAIRD. Well, I was just trying to get this thing in proper focus here. It seems that this is a major undertaking from your justification.

Miss GOODWIN. Well, the development of these plans is major because it could affect a great number of people if we should have war or a threat of war. So far in these initial stages we have had only very small instances in which we have been asked to cooperate. Perhaps a few plane loads of people, but even that involves a lot of advance planning.

Mr. LAIRD. This isn't tied in in any way with civil defense?

Miss GOODWIN. No, it is not. Civil defense relates to what happens in this country, whereas we are dealing in this program with what happens to Americans if they are in a country where there is war or threat of war.

Mr. LAIRD. Again with the reception?

Miss GOODWIN. That is right.

Mr. LAIRD. Here?

Miss GOODWIN. That is right.

Mr. LAIRD. That is all I have.

Mr. DENTON. All right.

Now, we have salaries and expenses.

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	2,164	2,662	3,189
Positions other than permanent.....	27	52	82
Other personnel compensation.....	36	45	76
Total personnel compensation.....	2,227	2,759	3,347
12 Personnel benefits.....	158	197	237
21 Travel and transportation of persons.....	127	194	249
22 Transportation of things.....	1	13	23
23 Rent, communications, and utilities.....	35	42	55
24 Printing and reproduction.....	37	48	73
25 Other services.....	9	12	18
Services of other agencies.....	27	38	47
26 Supplies and materials.....	18	20	25
31 Equipment.....	38	23	22
Total obligations.....	2,677	3,346	4,096

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	329	370	432
Full-time equivalent of other positions.....	4	7	10
Average number of all employees.....	281	347	411
Number of employees at end of year.....	328	365	424
Average GS grade.....	9.0	9.1	9.2
Average GS salary.....	\$7,687	\$7,834	\$7,959

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Program policies and standards.....	622	979	1,202
2. Review State plans and grants, evaluate State operations.....	1,529	1,769	1,929
3. Collect and interpret statistics.....	276	350	378
4. Civil defense emergency welfare service.....			338
5. Administration.....	258	248	249
Total program costs.....	2,685	3,346	4,096
Change in selected resources ¹	-8		
Total obligations.....	2,677	3,346	4,096
Financing:			
Unobligated balance lapsing.....	50	96	
New obligational authority (appropriation).....	2,727	3,442	4,096

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$24,000; 1961, \$16,000; 1962, \$16,000; 1963, \$16,000.

Mr. DENTON. We will place your full statement in the record and will be glad to hear your summary.

(The statement follows:)

SALARIES AND EXPENSES

The Federal and State Governments share responsibility for providing financial assistance, welfare services, and medical care to approximately 7 million persons today through five separate programs of assistance: old-age assistance, medical assistance for the aged, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled. The Bureau of Family Services (formerly the Bureau of Public Assistance) is the operating unit of the Social Security Administration responsible for administering these five grant-in-aid programs.

The Bureau is also responsible for participating in studying and making recommendations as to the most effective method of providing economic security to needy people.

The Bureau has also been assigned responsibility for carrying out the delegation to the Department for Civil Defense Emergency Welfare Service, a program to assist State and local jurisdictions develop and implement plans to provide for an integrated national program of essential welfare aid and services to assure availability of the necessities of life to the homeless and others in need of help in event of enemy attack. These civil defense responsibilities are not new but in the past have been financed from allotted funds. Funds for these activities for fiscal year 1963 are included in the regular budgets of the several departments and agencies that have delegated civil defense functions in accordance with the concept of building these into related peacetime programs.

The past year has been an exceedingly productive one for the Nation's welfare programs and the Bureau's role has been great indeed in responding to the many developments which were designed to improve public welfare programs. Foremost among these developments have been those stemming from recent legislation and from administrative directives issued by the Secretary. Implementation of the legislative and administrative actions, evaluation of provisions of medical care and aid to dependent children programs, preparation of materials for studies and reports stemming from actions by congressional groups, and preparation of interpretive materials in response to heightened public interest aroused both by the controversial nature of proposed legislative measures and social issues emerging in their implementation—these are the type of activities, in addition to continuing work, that drew heavily on the limited resources of the Bureau in the past year.

Further changes and additional issues are now on the horizon; more can be expected in 1963.

I wish to discuss some of these more significant undertakings of the Bureau.

IMPLEMENTING RECENT LEGISLATION

Medical care.—The most significant provisions of the Social Security Amendments of 1960 were: (1) the authorization of Federal-State programs of medical assistance for the aged to provide for medical care needs of lower income elder citizens not on old-age assistance rolls whose income and resources may be sufficient for their maintenance needs but insufficient to meet the cost of necessary medical services; and (2) increased Federal funds to assist States to improve their existing medical provisions or establish new ones by providing for additional Federal financial participation in payments to suppliers of medical care for recipients of this program. Both of the amendments became effective October 1, 1960.

Work to date in this area has been especially concerned with issuance of minimum necessary policy materials in order to provide an administrative base for the States to initiate plans under the new program of medical assistance for the aged as soon as possible. Emphasis also continues on assisting States in setting up new or improved medical care provisions in old-age assistance. Special attention must be directed to development and continued refinement of guides and standards on the level, content, and quality of medical care and services for use of States in evaluating and improving their medical care program. A new Division of Medical Care Standards was activated in March 1961 in the Bureau with primary responsibility for developing guides and recommendations to help States evaluate and improve their medical care provisions for public assistance recipients. A special report, as requested by the House Ways and Means Committee, is being prepared for submittal to the Congress by March 15, 1962, on progress thus far in this area.

The new law provides wide latitude to the States in setting eligibility standards for medical assistance for the aged. Considerable interpretation and advice continues to be requested in this area. This assistance must be related to the difference in economic and social structure of the States and the variety of State and local resources for which Federal sharing may be sought. The need for coordinating work of the Federal, State, and local agencies with similar work of other national public and voluntary agencies is of primary importance.

As of January 1962, programs of medical assistance for the aged were in operation in 21 States and territories: Arkansas, California, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New York, North Dakota, Oklahoma, Oregon, South Carolina, Tennessee, Utah, Washington, West Virginia, Puerto Rico, and the Virgin Islands. These programs vary widely in the scope of medical care provided. As of January, about two-thirds of the States also had made improvements in the medical care provisions of their old-age assistance programs.

Aid to dependent children.—Primary emphasis continues on helping States implement the two amendments enacted in May 1961 affecting this program: extension of aid to dependent children of unemployed parents; and continuing aid to children placed in foster family care by court decision because of unsuitable home conditions. Although these two amendments are temporary for the 14-month period, May 1961 to June 1962, legislative proposals of the administration now under consideration include a recommendation that they be made permanent.

The temporary broadening of the aid to dependent children program to provide assistance to needy children deprived of parental care or support because of the unemployment of a parent represents a significant breakthrough in welfare legislation. For the first time since the Federal emergency relief programs, Federal funds were made available through the public assistance programs to help families hard pressed because of unemployment of the breadwinner.

States including parental unemployment as a basis for eligibility must provide for a number of specific requirements; for example, cooperative arrangements with public employment offices (to assure restoration of the unemployed parent to employment as quickly as possible), and with vocational education agencies (for retraining of individuals, where appropriate); provide assurance that such aid is not provided if the unemployed parent refuses without good cause to accept a bona fide offer of employment in which he is able to engage.

The effect of the additional responsibilities relating to extension of aid to dependent children of the unemployed has involved considerable program modifications in the administrative and policy areas at both the State and Federal levels. While broad national policies have been developed for use by the States in developing their plans, it is already evident that more specific information on the operation of the plans must be developed and reviewed to assure conformity with the Federal law and regulations issued thereunder. Many of the problems to be dealt with in this area also represent new areas of work responsibility, with very considerable dissimilarity to problems formerly found in the programs. For example, the employable person who can work and wants to work is a segment of public welfare that is new to the Bureau's programs.

There are also conditions that must be met in connection with the foster care amendment. For example: A plan for each such child must be developed to insure his proper care while he remains in foster care (including periodic review of the necessity for the child's continuing in foster care); the State must also see that services are provided to improve the conditions in the home from which the child has been removed or to make possible his placement in the home of another specified relative; the foster family home must be one licensed by the State or approved by the State licensing agency. A considerable volume of standard setting and guide material will be needed in relation to the foster care amendment and the various steps which the law specifies must be taken to assure the child's well-being. The public assistance agencies will be dealing directly with courts on this aspect of the program of aid to dependent children. When the court makes the determination that the continuation of a child in his home is contrary to his interest, the public assistance agency is then responsible for his placement and care.

By January 1962, 15 States had taken action to provide aid to children of unemployed parents. Nine States had incorporated the foster home provision into their programs; seven other States were planning to place this provision into effect in the near future; and seven others were considering its adoption.

IMPROVEMENT OF WELFARE PROGRAMS THROUGH ADMINISTRATIVE ACTIONS DIRECTED
BY THE SECRETARY

Our new name, Bureau of Family Services, signifies the increased emphasis to be placed on welfare services directed toward strengthening family life and the self-reliance of individuals. It has been, of course, a long-time objective of the Bureau, as well as of State and local welfare departments, to bring to troubled families and individuals more of the services that, added to financial assistance, will help them to cope with the complex problems that characterize our society today. The mandate from the Secretary will be used to increase these efforts through joint and cooperative undertakings of the Bureau and the States so that people in need of help may find an opportunity for a happier and more productive life.

The name change of the Bureau is 1 of a 10-point action program directed by the Secretary to be accomplished through administrative changes. Most of these points contain specific provisions requiring varying degrees of action by the Bureau; they are covered in the justification material. Their primary objective is to develop more constructive approaches to get people back into useful roles in society to the extent possible. In addition to moving more effectively against such problems as locating deserting fathers and fraud, these administrative changes are designed to (1) promote rehabilitation services and develop a family-centered approach, (2) provide children with adequate protection, support, and a maximum opportunity to become responsible citizens, and (3) provide an administrative structure which will be more helpful to the States in accomplishing these objectives.

OTHER AREAS OF WORK

There will continue to be many other areas in which significant work on various aspects of the public assistance programs will be undertaken. Continuing day-to-day work in numerous program areas as well as administrative matters will continue to absorb a very great proportion of Bureau resources in 1962 and 1963. In 1962 and 1963 concentrated work is planned to help States improve the public assistance programs in several areas as recommended by the Public Assistance Advisory Council, established by the Social Security Amendments of 1958—particularly, projects concerning standards of assistance, and the medical aspects of the programs of aid to dependent children, aid to the blind, and aid to the permanently and totally disabled.

Considerable Bureau activities have been, and will continue to be, devoted to special problems of the aging—several documents relating to this subject are now in process; followup activities on recommendations stemming from the 1961 White House Conference on Aging are underway.

A recent social welfare manpower study points up the limited number of professionally trained social workers in the public assistance programs. The need to place more emphasis in this area is particularly significant in view of the Secretary's directives. The Bureau will stress in its work with State agencies the use of professionally trained staff in supervisory, administrative, and consultative jobs and in the establishment of special caseloads to deal with serious problems such as those found in aid to dependent children. An area to receive particular attention relates to agency inservice training programs—with the focus directed toward achieving the goals of the various public assistance programs in relation to the level of staff skills now available for providing welfare services in each State agency.

Special attention must continue to be directed to improving State and local administration. Cooperative relationships with other governmental agencies, such as the Children's Bureau, Public Health Service, and Office of Vocational Rehabilitation, and with various national voluntary agencies and groups will be expanded to the extent possible because of contributions these agencies can make to the Bureau's effort to achieve improvements in the programs it administers.

REQUEST FOR 1963

The budget request for 1963 is \$4,096,000 for 432 positions, or an increase of \$460,000 and 37 positions over the 1962 operating budget, including funds and positions for the delegated civil defense functions. Of the increase, \$160,000

represents the net annualization cost for the 41 new positions added in 1962. The remaining increase of \$300,000 is requested for 37 additional positions:

1. *Carrying out the Secretary's administrative directives (19 positions).—* Considerable additional activity must be devoted to development of guide materials, to group work, and to the area of staff development, particularly in relation to the program of aid to dependent children. Rehabilitative services aimed at reducing family breakdown and chronic dependency and helping families become self-supporting and independent will be stressed. There are many complications in the program of aid to dependent children which pose difficult problems for solution to the States and localities. Work now underway and planned by the Bureau is dealing with many of these problems; others are recognized but staff time is not sufficient to deal with them. For example, of special concern is the mother who becomes ineligible for assistance because her youngest child has become 18. The problem to be considered is how to assist such women to prepare themselves for self-support while on assistance; indeed, women with diminishing child-care demands can well begin to become self-supporting before assistance must be terminated by the age of the child. The use of homemaker service or day care for children whose parents could appropriately be working needs further consideration. The Bureau would take a diversified approach to planning—the use of group workers to work with a group of mothers with similar problems is one method.

A similar problem is that of the child who becomes ineligible for assistance on attaining age 18. Unless positive planning takes place, some children can drift along to maturity without consideration of their vocational needs. As a first step it is necessary to assure that the maximum amount of schooling or other training is attained so as to make an appropriate entry into the labor market. Evidence indicates that the school "dropout" in large numbers come from low-income families, including those receiving aid to dependent children.

There are a variety of subject areas in which training materials need to be developed in relation to the above and the following are some of the areas in which definitive training content and materials should be developed: (1) understanding and working with families, with particular emphasis on teenagers, in making educational and vocational plans; (2) counseling in family living and management, child care, vocational training, or retraining of adults; (3) understanding employment potential of adults and teenagers as it may relate to goals toward self-support or to development and use of work relief projects; (4) determining the care of children in homes in suspected neglect and delinquency situations; and (5) community planning and community organization with special emphasis in relation to the county director's job.

Because of the additional work that States must also carry out, it is essential that assistance be given to State agencies in appraisal of their administrative principles, criteria, and methods—with a view to simplifying, improving, and eliminating unnecessary and costly paperwork—with primary focus on freeing caseworkers of unnecessary clerical and paper activities to permit more intensive work with recipients. For example, in the case-recording area, experiments that have been conducted need implementing with specific proposals for simplification without sacrificing the effectiveness of the case record for accountability. Other areas in need of work simplification include forms, manuals, and other instructional materials.

Eleven of the nineteen positions requested for the above purpose are for the new Division of Welfare Services established within the Bureau in line with one of the Secretary's directives; three are for staff development activities; three are for administrative activities and fiscal standards work; and two for review and analysis of new and revised State plan materials and development of nationwide information on these new elements as reflected in State plans.

2. *Administrative review of State and local operations (11 positions).—* There is a primary need for additional resources in this area due to recent program expansions. In addition to diverting some of the increased manpower made available in 1962 to this purpose, after the most emergent work relating to launching the new legislation has subsided, more staff time must be available for this activity if the Bureau is to obtain knowledge on practice and operations in the States and assure itself that such operations, under the new program aspects as well as basic program elements in all the programs, are being carried out in conformity with Federal law and requirements and the State plan. The review includes, but is not limited to, an examination of the States' determination of eligibility and the amount of the assistance payment, the correctness of these

decisions. Findings obtained are used to assist States in improving their practice. The increase would enable the Bureau to place an additional professional position in each of the nine regional offices of the Department and provide for two central office positions for developing technical materials and to work with regional staff on expanded Federal review activities.

3. *Medical care (three positions).*—These positions will be used to strengthen and improve reporting and research in medical needs of, and services to, recipients. In addition to information on utilization and cost of medical services in all programs, special statistical requirements and periodic reports on characteristics, health conditions, and financial needs of recipients of aid to dependent children, aid to the blind, and aid to the permanently and totally disabled would also be undertaken with this new staff.

4. *Civil defense emergency welfare service (four positions).*—Funds currently available for this civil defense activity permit assignment of one professional and one clerical position to only six of the nine DHEW regional offices. For 1963, an increase of four new positions is requested to permit assignment of one professional to each of the other three regions and a clerical position in one of these three regions. The professional position is an emergency welfare representative and has broad responsibility for continuing contacts with State public welfare officials carrying responsibility for civil defense emergency welfare services. This staff provides guidance and technical assistance on emergency welfare service to State and local public welfare departments in accordance with established Federal-State relationships.

Miss GOODWIN. The budget request for 1963 is \$4,096,000 for 432 positions, or an increase of \$460,000 and 37 positions over the 1962 operating budget, including funds and positions for delegated civil defense functions—which heretofore have been financed by allotments to the Bureau. Of the increase, \$160,000 represents the net annualization cost for the 41 new positions added in 1962. The remaining increase of \$300,000 is requested for 37 additional positions for expanded responsibilities of the Bureau.

LEGISLATIVE CHANGES

The past year has been an exceedingly dynamic one for the Nation's welfare programs and the Bureau's role has been great indeed in responding to the many developments which were designed to improve public welfare programs. Foremost among these developments have been those stemming from recent legislation and from administrative directives issued by the Secretary.

The dynamic direction taken by the new legislation charted new paths in the responsibilities of the Bureau medical care and services to a new group of low-income aged persons, aid to children in families where need is due to unemployment, continuation of aid to children placed under foster family care by court decision because of unsuitable home conditions. The passage of this legislation reflects, I believe, an increasing recognition of the potential role of welfare measures in achieving a more balanced social and economic development for the country.

The Bureau has directed concentrated attention to developing materials on policies, standards, and guides to help States take advantage of the improvements this legislation offers. Procedures have been short-cut wherever possible so the program changes could be effected as quickly as possible.

It can be expected that these recent legislative changes will have a continuing effect on the Bureau's programs—both administrative and financial. Past experience with new grant-in-aid programs indicates a continuing series of new situations, and problems will arise

after a State plan has been initially approved and operation started. It will be necessary to develop a very substantial volume of additional materials—and refinements in existing materials—as the States and the Bureau develop operating experience under these new program elements.

ADMINISTRATIVE CHANGE

Another development which I would like to briefly mention relates to the Secretary's recent directives for several changes to be accomplished through administrative action. Our new name—Bureau of Family Services—signifies the broad action called for: increased emphasis on welfare services directed toward strengthening family life and the self-reliance of individuals. The primary objective is to develop more constructive approaches to getting people back into useful roles in society to the extent possible, with particular stress on the need for community services aimed at preventing dependency and rehabilitating those who do become dependent. It has been, of course, a long-time objective of the Bureau, as well as of State and local welfare departments, to bring to troubled families and individuals more of the services that, added to financial assistance, will help them to cope with the complex problems that characterize our society today. The mandate from the Secretary will be used to increase these efforts through joint and cooperative undertakings of the Bureau and the States so that people in need of help may find an opportunity for a happier and more productive life. Most of the points contain specific provisions requiring varying degrees of action by the Bureau which are, of course, included in our plan of work.

Thus, in addition to continuing day-to-day operating responsibilities, the Bureau's major emphasis for 1963 will be increased efforts to help States to realize the fullest program potentials that now exist within the legal and administrative framework for bringing about improvements in the public assistance programs—especially in relation to such areas as medical care, welfare services, and strengthened family life.

All of the new positions requested for 1963 relate to the above emphasis, except four for civil defense emergency welfare service activities, which are requested to enable the Bureau to complete assignment of one emergency welfare service representative to each of the regional offices.

Mr. Chairman, that concludes my brief summary for this budget item. The detailed opening statement and the justification material provide additional information on all the Bureau's major activities. If you and the members of the committee have any questions, I shall do my best to answer them.

BUDGET RESERVE RELATED TO 1963 BUDGET

Mr. FOGARTY. The appropriation for 1962 is \$3,442,000 and the request for 1963 is \$4,096,000, an increase of \$654,000, including the \$338,000 for the civil defense item.

Now, Miss Goodwin, this is your first day here, but we have gone into this fairly thoroughly throughout the hearings. The Secretary and the Bureau of the Budget have put some of us in a real hole when we try to defend a fairly substantial increase over the 1962 appropriation.

How much of the 1963 budget is based on legislation you expect this session of Congress to pass?

Miss GOODWIN. None.

Mr. FOGARTY. The reason I asked this question is, I am sure some of us who want to defend these 1963 increases are going to be faced with this argument both in committee and in the House: They were able to get along with \$96,000 less than we appropriated for 1962; there is no new legislation since they cut back in 1962, so why should we turn around and appropriate more in 1963 than we did for 1962?

What is the best answer I can make to an argument like that? I am sure the question is going to be asked. This puts some of us who want to help you in a very embarrassing position; we have got to have some good answers.

Miss GOODWIN. Of course, we could improve the program if it had not been necessary to make the administrative reserve, but that was a decision made at a much higher level.

Mr. FOGARTY. I am not blaming you. I do not think you offered it.

Miss GOODWIN. No, sir.

EFFECT OF RESERVES ON PROGRAMS

Mr. FOGARTY. And will you supply for the record how these reserves have affected all of your programs?

Miss GOODWIN. Yes, sir. I think there is this that we could say, sir, and that is that for the same reasons that the supplemental was reduced, because our estimates were high in terms of the number of States that were going to participate in extension of ADC to unemployed parents, we are not affected as much in 1962 by this cut as we would otherwise have been. The number of States, that start new programs represents a large volume of our day-by-day work. In 1963 we expect to be expanded.

(The information requested follows:)

EFFECT OF THE ADMINISTRATIVE RESERVE

The administrative reserve for 1962 is \$96,000 and 10 positions. The reserve was taken out of the increase of 51 positions and \$715,100. Of course we feel we could have furthered the program more by not having the administrative reserve. However, the decision was made at a higher level and was part of an overall policy that had to take into consideration circumstances across the board. The reduction of 10 positions means we cannot proceed as fast as we had hoped on development of standard and guide materials for the new program of medical assistance for the aged and on the unemployed parent segment of aid to dependent children—and, of course, this results in less assistance to States in these areas. The administrative directions issued by the Secretary to the Bureau in fiscal year 1962 resulted in some changes in emphasis in Bureau activities; the elimination of positions due to the administrative reserve was made a part of the overall adjustments in the Bureau plan of work for 1962.

IMPLEMENTATION OF AID-TO-DEPENDENT CHILDREN OF UNEMPLOYED

Mr. FOGARTY. Provide for the record the States that weren't able to get started on the program for dependent children of the unemployed and why you are so sure that in 1963 the other States are going to come along with that program and which ones they are.

Miss GOODWIN. Yes, we can.

(The information requested follows:)

STATE'S IMPLEMENTATION OF EXTENSION OF AID TO DEPENDENT CHILDREN TO THE
UNEMPLOYED

(1) When the 1962 appropriation was enacted it was anticipated that 17 States would have programs extending aid to dependent children to the unemployed in fiscal year 1962. It now appears that two of these States will not have the program in fiscal year 1962—Kansas and Louisiana.

(2) It seems reasonable to assume that if the legislation becomes permanent, at least six additional States, all of which now provide aid to families with employable members, will take the necessary steps to bring such families under the aid to dependent children program. These States are: California, Michigan, Minnesota, New Jersey, Ohio, and Wisconsin—all relatively large industrial States.

EFFECT OF RESERVE

MR. FOGARTY. Would you like to say something more regarding the effect of the reserve?

MISS GOODWIN. Well, I think that we did have to make some reductions, that included eight professional positions and two clerical positions. We did have to make some changes and we did have to make some other adjustments.

Now, it is also true that in addition to a somewhat reduced workload over what we estimated this year, the new activities which the Secretary directed have meant some reshuffling of functions within the Bureau. This also made it possible to defer some of the positions that we would otherwise have needed immediately.

MR. FOGARTY. That was sort of a phony cut then, was it not?

MISS GOODWIN. I would not say that.

MR. FOGARTY. Anything that is deferred, is not a real saving, let me put it that way.

MISS GOODWIN. It was possible to defer it.

MR. FOGARTY. That is a cut that isn't going to stand up?

MISS GOODWIN. It would not stand up indefinitely, no. The staff is needed, but it was possible within this period to cut.

MR. FOGARTY. We are not going to save all the money that the headlines suggested was being saved?

MISS GOODWIN. We will save that money for this year, because it wasn't spent.

MR. FOGARTY. It is going to probably cost you more in the long run because you did not spend it?

MISS GOODWIN. We will have to start some things later.

MR. FOGARTY. The longer you defer some of these things the more it costs?

MISS GOODWIN. Sometimes.

MR. FOGARTY. Do you want to say something, Mr. Mitchell?

MR. MITCHELL. Yes.

MR. FOGARTY. You can understand our position. I don't go along with it but I understand why it was done. That does not mean that I agree with the actions that were taken.

BUDGET RESERVE RELATED TO 1963 BUDGET

MR. MITCHELL. I have nothing further to say about the reserve. Of course, those are actions taken at higher levels and we adapt ourselves to the determinations made. But in respect to your question,

that without any change in the law, why would they need more money next year for doing the same things? I don't think they are the same things. The additional requirements placed on the States will require substantially more money to administer because they involve conformity questions. They place on them the necessity of doing certain things by certain times. They have to have a training officer to head up an organized staff development program. All of these things are required.

Mr. FOGARTY. When situations, like the one you are in with these administrative changes being put into effect, have come up in the past you have said you need to have some jobs available to get tooled up, get procedures firmed up, and so forth. But this reserve cuts your feet right out from under you.

Mr. MITCHELL. Of course, you are quite correct that the tooling up has to be done, both now and after this. This is not going to be all done at once. We anticipate that this will be done in a series of steps through, for example, improving the services and improving the training programs. This will take a lot more staff time than we have had available so far.

Mr. FOGARTY. Well, as I look at it, if some of these appropriations for 1963 are cut, it will be because of the reserves of 1962 more than anything else. I have already heard members talking about this. And those who make the decision on reserves will have to take the responsibility.

Mr. KELLY. We sincerely hope that it doesn't occur.

Mr. FOGARTY. I hope it doesn't either. You have already lost ground that you are never going to get back.

INCREASES FOR 1963

Now practically all of the requested increases are for activities in connection with program policies and standards and to review State funds and grants and evaluate State operations.

Miss GOODWIN. That is right.

Mr. FOGARTY. Do you want to add anything to what you said in your statement?

Miss GOODWIN. All of the things as I said are related to the new emphasis on development of programs. We are still working on the development of standards and additional methods in regard to the medical programs, not only the new medical program but with considerable added interest in improving the medical assistance generally to all categories, and old-age assistance particularly.

But the new activities, of course, are also related to the 10 additional points that the Secretary made, the development particularly of methods of providing service to families of deserting parents, to families in which the parents are not married, to families in which the children are in hazardous situations, in the development of training programs.

Mr. FOGARTY. Wouldn't most of the arguments that you are presenting now for 1963 fit 1962 just as well?

Miss GOODWIN. Well, of course not all these things were in effect in 1962. Yes, had we had the authorization we could have progressed on these things, but we now have specific direction to do these things.

Mr. FOGARTY. There is no change in any authorization.

Miss GOODWIN. I would hope that the fact that we don't have quite enough staff this year would not lead us to not having enough next year. That would be a little ironic.

Mr. FOGARTY. Of course, you are in no position to guarantee you will use the funds if Congress does appropriate all you are asking for. You thought you were going to spend all of what was appropriated in 1962, didn't you?

Miss GOODWIN. Yes, but it isn't quite true to say that we can't catch up on these. On some of them we can catch up.

ADMINISTRATION OF TRAINING GRANTS

Mr. FOGARTY. How much is included in the 1963 estimate for administering the proposed training grants program?

Mr. TRUELSON. We have not included any request for additional positions for the training grants on the basis of the 1956 legislation that provides for grants directly to the States rather than schools of social work. We feel on the basis of work we have done in developing the policies in the past we can absorb this if the old authority were to be used. If there were new legislation, we would need some additional positions.

Mr. FOGARTY. Mr. Denton?

Mr. DENTON. No questions.

Mr. FOGARTY. Is there anything else you would like to say?

Miss GOODWIN. I believe not.

Mr. FOGARTY. Thank you very much.

CHILDREN'S BUREAU

WITNESSES

MRS. KATHERINE B. OETTINGER, CHIEF, CHILDREN'S BUREAU
 ARTHUR J. LESSER, M.D., DIRECTOR, DIVISION OF HEALTH SERVICES
 MISS MILDRED M. ARNOLD, DIRECTOR, DIVISION OF SOCIAL SERVICES
 PHILIP G. GREEN, DIRECTOR, DIVISION OF JUVENILE DELINQUENCY SERVICE
 MISS HELEN L. WITMER, DIRECTOR, DIVISION OF RESEARCH
 GORDON FORTNEY, ADMINISTRATIVE OFFICER
 WILLIAM L. MITCHELL, COMMISSIONER OF SOCIAL SECURITY
 ROY L. WYNKOOP, ADMINISTRATIVE OFFICER, OFFICE OF THE COMMISSIONER
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

GRANTS FOR MATERNAL AND CHILD WELFARE

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Maternal and child health services	\$18,114	\$25,000	\$25,000
2. Crippled children's services	19,795	25,000	25,000
3. Child welfare services	13,613	18,750	25,000
4. Research or demonstration projects in child welfare		275	795
Total program costs	51,522	69,025	75,795
Change in selected resources ¹			955
Total obligations (object class 41)	51,522	69,025	76,750
Financing: Unobligated balance lapsing	311	75	
New obligational authority (appropriation)	51,833	69,100	76,750

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders: 1962, none; 1963, \$955,000.

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions	\$1,894	\$2,009	\$2,138
Positions other than permanent	19	21	33
Other personnel compensation	10	2	2
Total personnel compensation	1,923	2,032	2,173
12 Personnel benefits	134	142	152
21 Travel and transportation of persons	163	193	255
22 Transportation of things	1	4	4
23 Rent, communications, and utilities	31	34	39
24 Printing and reproduction	178	163	163
25 Other services	4	4	4
Services of other agencies	20	33	35
26 Supplies and materials	22	19	20
31 Equipment	10	8	8
Total obligations	2,486	2,632	2,853

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	260	267	279
Full-time equivalent of other positions.....	2	2	4
Average number of all employees.....	231	241	253
Number of employees at end of year.....	235	248	262
Average GS grade.....	9.3	9.4	9.6
Average GS salary.....	\$8,265	\$8,415	\$8,601

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. State and local health services for children.....	\$828	\$845	\$893
2. State and local social services for children.....	479	500	577
3. Technical assistance to States and communities for juvenile delinquency programs.....	200	268	299
4. Research in child life and services for children.....	316	370	423
5. Information for parents and others working with chil- dren.....	383	354	371
6. Administration.....	288	294	297
Total program costs.....	2,494	2,631	2,860
Change in selected resources ¹	-8	1	-7
Total obligations.....	2,486	2,632	2,853
Financing: Unobligated balance lapsing.....	8	36	-----
New obligational authority (appropriation).....	2,493	2,668	2,853

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$32,000; 1961, \$24,000; 1962, \$25,000; 1963, \$18,000.

GENERAL STATEMENT, SALARIES AND EXPENSES

Mr. FOGARTY. Mrs. Oettinger, we are glad to see you here. Do you have a statement for the committee?

Mrs. OETTINGER. I will read a summary statement and file a general statement for the record, if I may.

Mr. FOGARTY. All right.

(The prepared statement follows:)

SALARIES AND EXPENSES, CHILDREN'S BUREAU, 1963 ESTIMATE

INCREASE REQUESTED

The 1963 estimate for "Salaries and expenses, Children's Bureau," represents an increase of \$185,000 over the amount of \$2,668,000 appropriated for this purpose for the fiscal year 1962. This increase is for further strengthening the regional staff, with special emphasis on working with the States on problems of foster care; improvement of school health services; further strengthening of research functions related to health services program administration; increasing consultation to agencies providing services to delinquent youth; revising and updating publications for parents; and increasing the amounts required for travel of consultants in order to give maximum response to expressed needs of States and communities in specific areas of Bureau consultation.

FUNCTIONS OF THE CHILDREN'S BUREAU

The legal authority of the Children's Bureau for serving the children of the United States is contained in the basic act of April 9, 1912, creating the Bureau (42 U.S.C., ch. 6) and in title V of the Social Security Act under delegations by the Secretary of the Department of Health, Education, and Welfare, and the Commissioner of Social Security (42 U.S.C., ch. 7, subch. V).

Under its basic act of 1912, the Bureau is charged with investigating and reporting "upon all matters pertaining to the welfare of children and child life among all classes of our people." The Bureau studies many types of conditions affecting the lives of children, provides data and makes recommendations to improve practices in child health and child welfare programs, and helps establish standards for the care of children.

Under title V of the Social Security Act, as amended, the Bureau currently administers grants to States for three programs: (1) Maternal and child health services; (2) crippled children's services; and (3) child welfare services. The Bureau also administers under title V a program of grants for research or demonstration projects in the child welfare field. This program was put into operation in 1962.

OVER VIEW

On April 9, 1962, the Children's Bureau will be 50 years old. This anniversary gives the Bureau an opportunity—and an obligation—to look back to evaluate what has been accomplished for children during this half century, and to look ahead to determine goals for the next decade.

The United States is a nation of change. Automation, the population explosion, the growth of great urban areas, the flight to the suburbs, deserted farm villages and depressed areas, and new findings from research—all influence what must be done to keep children's services responsive to the changing pace and circumstances in the lives of families and children.

Final birth figures for all U.S. counties and metropolitan areas in 1960, just released by the Public Health Service, highlight the increasingly urban character of the Nation. The national total was 4,257,850 births. One-third of all 1960 births were to residents of the 24 metropolitan areas with a million or more inhabitants. During 1950-60 there was an increasing concentration of both population and births in these large areas.

Infant mortality in the United States declined in 1960 for the second successive year. The provisional 1960 rate was 25.7 compared with 26.4 for 1959. In 1957 and 1958 infant mortality rose after declining for two decades. The 1960 rate is lower than the previous lowest rate of 26 which was achieved in 1956.

There were 221,000 illegitimate births in the United States in 1959—the highest number on record. This represents an increase of nearly 12,000 over 1958. One out of every 20 babies in the United States is born out of wedlock—the highest rate of illegitimacy on record.

Families continue to grow larger, having risen in average size from 3.54 in 1950 to 3.71 in 1960.

On the average, families have gained in real income throughout the past decade. But in 1960 there were still 12.5 million children living in families with less than \$3,000 annual income.

In 1960, for the 12th consecutive year, juvenile delinquency increased over the previous year. Last year delinquency cases and youth arrest data showed a 6- and 9-percent increase, respectively, over 1959, while the increase in the child population was about 2 percent. Thus, while the child population continues to increase, at the same time a larger proportion is getting into trouble each year.

One of the most significant social changes in this century is the great increase in the number of married women in the labor force. About 3 million mothers with children under 6 and about 5 million mothers with children over 6 are now working. The development of adequate day care services for children of working mothers has not kept pace with this change.

The total number of young men and women between 16 and 25 who will enter the labor force in the 1960's is a staggering 26 million. This volume is unprecedented in our history. In 1965 alone, 3.8 million young people will become 18 years of age, an increase of 1.2 million over 1960. Large numbers of these youth are and will continue to be unemployed and out of school. As Dr. James B. Connant pointed out in a stirring speech last year, "the existence in the slums of our large cities of thousands of youth age 16 to 21 who are both out of school and out of work is an explosive situation. It is social dynamite."

Even though during 1962 the Children's Bureau attains its 50th year, the Bureau, like the children whom it serves, is more concerned with the future than with the past. The 1963 estimate represents an effort to reshape and expand the Bureau's programs so that it can be more responsive to the needs of children and youth in the years ahead.

STATE AND LOCAL HEALTH SERVICES FOR CHILDREN

In administering grants for maternal and child health and crippled children's services under title V of the Social Security Act, the Bureau's health services staff is working with State maternal and child health and crippled children's agencies in every State in meeting those problems which changing conditions bring.

This staff is composed of specialists in medical and related fields, such as pediatrics, nursing, physical therapy, medical social work, nutrition, and mental retardation. These staff members are available to the States for consultation. They also work with national voluntary organizations whose programs concern the health of children.

During 1962 and 1963, particular attention will be given to providing consultation to State agencies in extending services under the maternal and child health and crippled children's programs and to working with institutions of higher learning on special projects. Mental retardation, services for unmarried mothers and for migrants will be given emphasis. Polio immunization programs both with Salk vaccine and live virus will require new efforts if we are to be more successful in reaching children whose families are slow to respond.

Proposed increases in 1963

The estimate provides for two new professional positions for this activity. The regular regional staffing pattern for child health personnel includes an administrative methods consultant position, the incumbent of which is responsible for the administrative aspects of the maternal and child health and crippled children's grant programs. This position exists in all the regions staffed with child health personnel except the Kansas City office. Until now the duties of this position have been performed by the regional medical director with some assistance from Washington. However, the need for assistance and the requests for consultation by the States are far greater than can be met by the regional medical director. Therefore, one of the new professional positions is for an administrative methods consultant in the Kansas City office.

The increased number of schoolchildren in the elementary grades with chronic illnesses (cystic fibrosis, diabetes, congenital heart disease, etc.) require skilled nursing care and school personnel need advice in handling these children with special health problems. Teachers need help from nurses in finding children in need of medical attention and in arranging for their care. Very little nursing service is available to high school children and those who are employed for this purpose have not been brought up to date in the health care of adolescent children.

A pediatric nursing consultant, the second new professional position, is needed to assist State agencies in improving the quality of nursing services to schoolchildren through inservice education and the development of guide materials and standards for health programs including nursing service. The pediatric consultant nurse is needed also to assist in the improvement and extension of health services, geared to present-day knowledge of adolescent health needs for children in secondary schools.

Mentally retarded children

Mental retardation will continue in 1963 to receive special attention. Publications last year include a bibliography on phenylketonuria, a manual for physicians on the diagnosis and treatment of phenylketonuria, and a 3-year program report on the development of clinical programs for mentally retarded children through the work of the Children's Bureau and State health departments.

The Children's Bureau, in collaboration with State health departments and mental retardation clinics, is engaged in a long-range study of the progress made by infants with phenylketonuria under controlled dietary treatment. It is expected that this will provide such information on a large series of patients that is not available at present.

Centers for children with multiple handicaps

There is growing interest on the part of departments of pediatrics in medical schools in organizing special centers for the diagnosis and long-range treatment and counseling of children with multiple handicaps. These centers are being developed for the training of pediatricians, medical social workers, nurses, and others in this growing and complex problem. Children's Bureau staff is providing consultation to medical schools in the development of projects in this area. Four such projects are now receiving grants from the Children's Bureau.

STATE AND LOCAL SOCIAL SERVICES FOR CHILDREN

The Division of Social Services is responsible for the Bureau's activities related to the development, extension, and strengthening of social services for children and youth. Responsibility for administration of grants-in-aid for public child welfare services is carried primarily by a small central staff and by the nine regional child welfare representatives. Responsibility relating to grants for research and demonstration projects is centered in a small staff in the Division with close collaboration with the Division of Research, which Division carried full responsibility for the research aspects of the program. The Division of Social Services also has a staff of specialists covering such areas of child welfare as foster care of children, social services to children in their own homes, day care and homemaker services, State child welfare legislation, services to unmarried mothers, and staff training.

During 1962 and 1963, major attention will be given to (1) improving and expanding services to children removed from their own homes; (2) strengthening programs to prevent family disruption, such as day care and homemaker services, and protective services to neglected children; and (3) coordination of family and child welfare services. All three will involve continuing, close cooperation with the Bureau of Family Services.

Proposed increases in 1963

The 1963 estimate provides for five additional positions of regional foster care consultants. Each of four regional offices now has a foster care consultant: New York, San Francisco, Charlottesville, and Atlanta. The five additional consultants proposed would be assigned to each of the regional offices now without such a consultant: Chicago, Dallas, Kansas City, Denver, and Boston. These additional consultants are urgently needed so that technical assistance will be available to all States to assist them in improving and expanding their foster care services. Moreover, these positions support the increased emphasis of the administration on "services-oriented" programs in the welfare field designed to improve preventive and protective services for children. The five consultants will bring more specialized help to States in all regions in order to encourage the establishment and development of day care and homemaker services, special kinds of foster care facilities for retarded and emotionally disturbed children, and adoption services.

Unmarried mothers

A publication, "Unmarried Parents: A Guide for the Development of Services in Public Welfare," prepared jointly by the Bureau of Family Services and the Children's Bureau, was released in October 1961. This material spells out the responsibility of the State agencies for providing for the care and protection of unmarried parents and their children. It emphasizes the importance of coordination of services within public welfare departments, planning for effective use of staff, strengthening working relationships of all agencies concerned with unmarried parents and offers suggestions for community activities. The demand for copies has been great—requests have come from Congressmen, doctors, attorneys, parents, and organizations interested in the problems of unmarried parents. The two Bureaus plan to make use of this publication in further cooperative work.

TECHNICAL ASSISTANCE TO STATES AND COMMUNITIES FOR JUVENILE DELINQUENCY PROGRAMS

The Division of Juvenile Delinquency Service is responsible for the development of program plans, guides, and recommendations for services in the field of juvenile delinquency; providing leadership in the development of national, State, and local programs for the control and treatment of juvenile delinquency; providing technical aid and advisory service to public and voluntary agencies and others on standards and guides, methods, content, organization, and coordination of such programs; and assisting in planning broad training programs for all staff, professional, and nonprofessional, providing services to juvenile delinquents in the States and local communities.

Increases proposed in 1963

Two professional positions are requested for 1963. The two positions, juvenile delinquency survey consultants, are for the purpose of meeting a greater proportion of the requests, than is possible with existing staff, for studies of

State and community agencies providing treatment services for delinquent youth. The program under the new juvenile delinquency legislation (enacted by the current Congress) will be focused on developing comprehensive, coordinated community programs for the prevention of juvenile delinquency. The proposed juvenile delinquency survey consultants, in contrast, will focus on surveys of State and local agencies that desire to improve present services to youth already delinquent, such as, for example, surveys of State training schools for delinquent youth, county surveys of court and police operations, or surveys of large juvenile court probation programs.

Publications

A preliminary draft of a major publication "Police Contacts With Juveniles: Perspectives and Guidelines" has been developed. This project is being carried on in cooperation with the International Association of Chiefs of Police, the International Association of Women Police, the International Juvenile Officers' Association, and the National Council on Crime and Delinquency. This will be the first publication of its kind and it is hoped that it will have a major impact on police practices. Two pamphlets have been completed: "On Becoming a Juvenile Court Judge" and "On Taking a Case Into Court." These are the first of the series developed primarily for new personnel coming into the juvenile delinquency field. Another publication, "Training for Juvenile Probation Officers," is in the final stage of development.

Training

Another project now in the planning process is a workshop for State consultants in the area of juvenile delinquency. Almost one-third of the States now have such consultants and a number are planning to add such persons to State agency staff. This is designed not only to help these consultants in the area of program content, but also to stimulate closer working relationships and greater exchange of information between the State consultants and the consultants in the Children's Bureau. All of the States having such consultants have shown great interest in participating in the workshop.

RESEARCH IN CHILDLIFE AND SERVICES FOR CHILDREN

In carrying out its function to "investigate and report" upon matters pertaining to the welfare of children, the Bureau attempts quantitatively and qualitatively to determine how children in the United States are faring, and what physical and social conditions are inimical to their well-being. Since the Bureau has only a small research staff, it carries out its research functions largely in conjunction with other organizations, public and private. In addition, it engages in a few studies of its own, usually nationwide investigations based on information available to State health and welfare agencies.

Proposed increases in 1963

An increase of two positions (a pediatrician and a biostatistician) is proposed in the 1963 budget estimate, to enable the Bureau to expand and improve its research activities, in the field of child health. "New knowledge," it has been pointed out, "is the pacemaker of health progress." Following are studies proposed which would aid in adding needed knowledge and in facilitating its application by practitioners:

- (1) A study of the frequency of use of X-rays in children cared for under the crippled children's programs. A pilot study is planned to be conducted in one State focusing on certain diagnostic groups and including a review of records of the program, of physicians, hospitals, orthopedic services, convalescent homes, and rehabilitation services. This would be the first in a series of such studies.

- (2) A study of the changing patterns of hospital care of children as related to hospital planning and to pediatric education of physicians and nurses. It has been assumed, without corroborative data, that new methods of prevention, diagnosis, and treatment have resulted in considerable change in the type of children admitted to hospital pediatric service. If such is the case, then there has also been a change in the clinical experiences which residents, interns, and medical and nursing students obtain in these living classrooms.

(3) A followup study of children with congenital heart disease. To date, there has been no long-term, comprehensive followup of such children cared for under State crippled children's programs. The initial phase, a pilot study in one State, would examine medical and other results of treatment (educational, vocational).

Illegitimacy:

The Children's Bureau has assigned a high priority to the problem of illegitimacy. Already underway is a critical review and analysis of available research and demonstration relating to unmarried mothers and births out of wedlock. The end result will be a more systematic roundup than has been available before of evidence concerning illegitimacy and possible ways of reducing it or coping with its effects. It is hoped that this material will provide a basis on which operating agencies will be able to build more effectively than in the past, in determining what services, what plans of action, and what further research and demonstrations show the greatest promise of producing useful results. It is hoped, also, that applicants for grant funds of various kinds will draw upon the experience and knowledge brought together in this way for developing useful projects and studies.

INFORMATION FOR PARENTS AND OTHERS WORKING WITH CHILDREN

Since 1912 the Children's Bureau has been meeting its basic charge from Congress to report on all matters affecting the well-being of the Nation's children by providing each year a broad and steady flow of reports, publications, and information on child health, child welfare, and child growth and development. Its publications for parents regularly top the list of bestselling Government publications and its technical publications are widely and increasingly used by workers in the variety of professions serving children.

As part of a fresh emphasis on the publication of visual as well as printed materials, the Bureau recently collaborated with the State of Pennsylvania in the development of a film stressing the increasing number of mothers holding jobs and the need for day care facilities for their children.

Increases proposed in 1963

An additional position (editor-writer, GS-11) is requested in 1963. The additional position is required to provide the necessary supporting services for the increased number of technical publications being developed by professional staff of the Bureau.

Mrs. OETTINGER. The 1963 estimate for "Salaries and expenses, Children's Bureau" represents an increase of \$185,000 over the \$2,668,000 appropriated for this purpose for the fiscal year 1962 and an increase of \$221,000 over the amount available in the 1962 operating budget. This increase is primarily for further strengthening the regional staff, with special emphasis on working with the States on problems of foster care, which will support the increased emphasis of the administration on services oriented programs in the welfare field designed to improve preventive and protective services for children; improvement of school health services; further strengthening of research functions related to health services program administration; and increasing consultation to agencies providing services to delinquent youth.

NEW POSITIONS

The increase requested provides for 12 new positions over the operating budget. Of these, five are foster care consultant positions in the regional offices. The addition of these positions to the four now in existence would provide such a consultant in each regional office and make the specialized, highly needed service available to all the States. Two positions are in the area of maternal and child health, a regional administrative methods consultant to complete regional

staffing in this specialty, and a pediatric nurse to provide consultation on school health programs. Two positions are in the area of juvenile delinquency; they are juvenile delinquency survey consultants, to enable meeting a greater proportion of requests than is possible with present staff, for studies of agencies providing treatment services for delinquent youth. Two positions are in the area of child health studies; a pediatrician and a biostatistician to make studies related to child health services program administration. Also included in the requested increase in this area is an amount for obtaining consultative services and technical advice. One new position is requested to provide professional writing assistance to program consultants in revising and updating publications for parents. An increase in the amount of travel funds for present staff is also requested in order that consultants may give maximum response to the expressed needs of States and communities in specialized areas of Bureau consultation.

GENERAL STATEMENT, GRANTS FOR MATERNAL AND CHILD WELFARE

Would you like the "Grants" statement?

Mr. FOGARTY. Yes.

(The complete statement follows:)

GRANTS FOR MATERNAL AND CHILD WELFARE, CHILDREN'S BUREAU, 1963 ESTIMATE

INCREASE REQUESTED

The 1963 estimate of \$76,750,000 for "Grants for maternal and child welfare" represents an increase of \$7,725,000 over the amount of \$69,100,000 appropriated for this purpose for fiscal year 1962. The amount requested would provide \$25 million for each of the three programs of grants to the States under title V of the Social Security Act: (1) maternal and child health services; (2) crippled children's services; and (3) child welfare services. For maternal and child health services and for crippled children's services, this amount is the same as appropriated for the current fiscal year and is the maximum authorized for annual appropriation under the present provisions of title V.

Most of the increase requested (\$6¼ million) would be for grants to the States for child welfare services and would bring these grants to the maximum authorized under the law.

The remainder of the increase would be for the new program of research or demonstration in the field of child welfare. The amount requested for that program, namely, \$1,750,000 represents the full cost of continuing projects initiated in 1962 and the full cost of projects that will be initiated in 1963. Actual costs are estimated at \$795,000 in 1963 (including \$550,000 for new projects) and \$955,000 for subsequent years.

MATERNAL AND CHILD HEALTH SERVICES

Grants are provided to enable States to extend and improve services for promoting the health of mothers and children, especially in rural areas and areas suffering from economic distress. The States must provide matching funds for one-half of the amount appropriated. The balance is allotted on the basis of need and is not matched. State plans for the use of maternal and child health funds are made by State health agencies. The services are largely provided by local health departments.

Infant mortality

The infant mortality rates among the States continue to vary widely—the lowest being 20 per 1,000 live births and the highest 42.9 in 1959. The maternal and child health program contributes to reduction of infant mortality through the provision of health services for maternity patients in prenatal clinics and to some extent in hospitals through the hospital care of maternity patients and premature infants and through child health supervision. Good prenatal care

is especially needed since deaths of infants in the newborn period are demonstrably higher when little or no prenatal care was provided the mother.

During 1960 the maternal and child health programs provided medical, prenatal, and postnatal clinic services to 263,000 mothers. This represents an increase of 33 percent in the number of mothers attending such clinics since 1955, and an increase of 42 percent in the proportion of pregnant women attending these clinics. Medical and hospital care was provided 38,000 mothers who had complications of pregnancy. Care in hospital premature centers was provided for 10,000 prematurely born infants. General pediatric clinics provided diagnoses and consultation for 127,000 children. The number of children attending these clinics has increased 50 percent since 1955; the proportion of children per 1,000 child population has increased 16 percent.

Immunization

Immunizations through the maternal and child health programs have steadily increased. In 1960 over 3½ million children were immunized against diphtheria; this represents a 50 percent increase since 1955 in the proportion of children who were immunized per 1,000 child population. Over 2½ million children were immunized against smallpox, and almost 5 million against polio.

Vision and hearing screening

The number and proportion of children given screening tests for vision and hearing have also continued to increase. In 1960 over 7 million children were given screening tests of vision and over 4 million, tests of hearing.

Mentally retarded children

The special clinical programs continue to serve more mentally retarded children, having served over 12,000 in 1960. In addition, the number of cases which remain active for more than a year and receive continuing care has almost doubled in the past 3 years. Training activities in mental retardation have also increased. Fourteen medical schools are now using the special clinic programs to train medical students, residents and interns, in the better care and management of mentally retarded children. Some 4,500 such students have been trained through these projects. Nine out of every ten public health nurses have received some orientation in working with these children and their families.

A beginning has been made in applying public health methods in the detection, management and prevention of retardation in such specific conditions as phenylketonuria. Twenty-six States have initiated large-scale screening programs for phenylketonuria.

A grant is being made to apply the newly developed Guthrie phenylketonuria screening blood test on a large scale to determine its practicability as a routine test. This test is performed on newborn infants before they leave the hospital so that it may provide the opportunity for much more effective screening than the urine diaper test.

CRIPPLED CHILDREN'S SERVICES

Grants are made to the States to extend and improve services for locating crippled children, and for providing medical, surgical, corrective, and other care and services for children who are crippled or who are suffering from conditions which lead to crippling. The States are required to provide matching funds for half of the amount appropriated. The balance is allotted on the basis of need and is not matched. State plans for crippled children's services are developed by the State crippled children's agency and services provided by State and local agencies.

In calendar year 1960, 355,000 children received physicians' services under the crippled children's programs, an increase of 4.7 percent over 1959. Hospital care was provided 59,000 children, somewhat more than the year before, averaging 21.3 days care. Hospital care accounts for about 40 percent of the expenditure of crippled children's funds.

All State crippled children's agencies want to make their services increasingly available to children with all kinds of handicaps, nonorthopedic as well as orthopedic. The latter account for about 49 percent of the children who received medical services last year. The hard-of-hearing represent about 6 percent, rheumatic fever 3 percent, cerebral palsy 8 percent, epilepsy under 2 percent.

Congenital heart disease

The number of children with congenital heart disease receiving services in 1960 was 16,784 whereas in 1959 it was 14,450. Hospital facilities for surgery are becoming increasingly available to take care of the large numbers of these children seeking care.

Cystic fibrosis

The growth of interest in research in cystic fibrosis is resulting in the gradual extension of the services of State crippled children's programs to include children with this condition. During the current fiscal year, 16 States are providing diagnostic treatment and followup services for children with cystic fibrosis.

A preliminary study by the Childrens Bureau indicates that about 2,500 patients with this condition were hospitalized in the United States in 1957. A preliminary rough estimate of the incidence of diagnosed cases of cystic fibrosis in a pilot area studied is 42 cases per 100,000 live births or one per 2,300 live births. However, much needs to be done to spread the knowledge of this disease and to increase the number of clinical facilities adequately staffed to provide the necessary services. The cost of care is considerable for many families, averaging between \$1,000 and \$2,000 per year. The State crippled childrens programs are beginning to make a significant contribution toward meeting the problem of cystic fibrosis through providing the necessary specialized services and helping to meet the costs of care.

CHILD WELFARE SERVICES

Federal grants are provided to enable the States to establish, extend, and strengthen child welfare services for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent; and services for the return of runaway children to their own homes in other States. The law provides that State plans for child welfare services be developed jointly by the State public welfare agency and the Childrens Bureau. States are required to match Federal child welfare funds. The State public welfare agency administers the plan and services are provided by the State and local public welfare agencies.

About 361,000 children were receiving child welfare services from State and local public welfare agencies in 1960. Of this number, 43 percent were in their own homes or the homes of relatives, 37 percent were in foster family boarding homes, 7 percent in adoptive homes, 11 percent in institutions, and 2 percent elsewhere. Of all child welfare services to children in their own homes 82 percent were provided by public welfare departments, 18 percent by voluntary child welfare agencies.

Administrative actions for improving public welfare:

Secretary Ribicoff recently announced a series of administrative actions to improve public assistance programs. One of these provides for "coordination with the child warfare services program to assure the maximum use of child welfare staff in providing consultation and services" in families receiving aid to dependent children in which (a) there is an unmarried parent, (b) a father has deserted, or (c) the physical and moral development of children is seriously threatened and the home is in danger of becoming unsuitable for the children. The increased appropriation for child welfare services is urgently needed to help the States extend and improve services to these families.

Unwed mothers

In reporting out the Labor-HEW appropriations bill on May 15, 1961, the House Committee on Appropriations stated: "The committee will expect that the Childrens Bureau use a portion of the increased funds in fiscal year 1962 to get effective programs started to better deal with the problem, and to rehabilitate these mothers so that they may become a part of decent society rather than going on to further degradation as now so often happens" (H. Rept. 392, 87th Cong., 1st sess. (H.R. 7035)).

With the increase in Federal child welfare funds for 1962 the States have strengthened their services for unmarried mothers and their babies. Through additional child welfare personnel, States are providing more and better services for these mothers. They are also giving greater emphasis to improving the skills of staff who give help to these mothers. Special provision is made by 26 States, through the use of Federal child welfare funds, for care of unmarried mothers and their babies in special foster care facilities or in maternity homes from which care is purchased.

About 6,500 unmarried mothers were being served in the public child welfare program on a typical day during 1961. About 40 percent of these were under 20 years of age. Over two-thirds of them were not receiving public assistance. The estimated number served during the year through the child welfare program is about 14,000.

In the fall of 1961, the Children's Bureau sent a questionnaire to all State welfare departments asking information on services available to unmarried mothers by public and voluntary child welfare agencies. State agencies in responding to this request, repeatedly pointed to major lacks or limitations in existing services. They stressed the need for more facilities, such as maternity homes and adoptive homes, and for more child welfare staff to provide casework services. The proposed increase in the child welfare appropriation is greatly needed to enable the States to further develop services for unmarried mothers and their babies.

Expansion of training programs

Additional child welfare personnel are needed to increase services in the many communities where the number of workers is now inadequate and to extend services to areas where there are no workers. In order to secure and retain qualified workers, States need to expand greatly their training programs. The 1961 study "Salaries and Working Conditions of Social Welfare Manpower in 1960," made by the Bureau of Labor Standards, shows that we are losing ground in the percentage of child welfare workers with social work training. Over the years, the States have consistently expanded their training programs whenever Federal child welfare funds have been increased and it is anticipated they would again do so if the proposed increased appropriation for 1963 is granted.

RESEARCH OR DEMONSTRATION PROJECTS IN CHILD WELFARE

A particularly significant milestone in the Bureau's efforts to meet the needs of children was reached this year with the appropriation of funds to implement a new program of research and demonstration grants in child welfare. Flyers describing the terms of the grants have been distributed, and application blanks have gone out to interested agencies and organizations. Already over 100 requests for application forms have been received. From the initial response it is anticipated that many valuable projects will grow out of this new opportunity. Already several inquiries regarding possible applications relating to illegitimacy have been received, once more mirroring the widespread determination to combat this problem in constructive ways.

Examples of questions on which child welfare research and demonstration projects might center are: How effective are homemaker service and day care in preventing the separation of children from their families? Under what circumstances is foster family care preferable to institutional placement for mentally retarded children? In what capacities can untrained persons be effectively used to supplement professionally trained workers in child welfare services? What adaptations in day care services are needed in order to meet the needs of children in migrant families?

The increased appropriation proposed for these grants is greatly needed to enable fuller use of existing resources for improving child welfare.

Mrs. OETTINGER. The 1963 estimate of \$76,750,000 for grants for maternal and child welfare represents an increase of \$7,725,000 over the amount of \$69,100,000 appropriated for this purpose for fiscal year 1962. The amount requested would provide \$25 million for each of the three programs of grants to the States under title V of the Social Security Act: (1) Maternal and child health services, (2) crippled children's services, and (3) child welfare services.

For maternal and child health services and for crippled children's services, this amount is the same as appropriated for the current fiscal year and is the maximum authorized for annual appropriation under the present provisions of title V.

Most of the increase requested, \$6,250,000, would be for grants to the States for child welfare services and would bring these grants to the maximum authorized under the law.

The remainder of the increase would be for the new program of research or demonstration in the field of child welfare. The amount requested for that program, namely, \$1,750,000, represents the full cost of continuing projects initiated in 1962 and the full cost of projects that will be initiated in 1963. Actual costs are estimated at \$795,000 in 1963 (including \$550,000 for new projects) and \$955,000 for subsequent years.

MATERNAL AND CHILD HEALTH SERVICES

Maternal and child health services grants are provided to enable States to extend and improve services for promoting the health of mothers and children, especially in rural areas and areas suffering from economic distress. The States must provide matching funds for one-half of the amount appropriated. State plans for the use of maternal and child health funds are made by State health agencies. The services are largely provided by local health departments.

CRIPPLED CHILDREN'S SERVICES

Crippled children's services grants are made to the States to extend and improve services for locating crippled children, and for providing medical, surgical, corrective, and other care and services for children who are crippled or who are suffering from conditions which lead to crippling. The States are required to provide matching funds for half of the amount appropriated. State plans for crippled children's services are developed by the State crippled children's agency and services provided by State and local agencies.

CHILD WELFARE SERVICES

Child welfare services grants are provided to enable the States to establish, extend, and strengthen child welfare services for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent; and services for the return of runaway children to their own homes in other States. The law provides that State plans for child welfare services be developed jointly by the State public welfare agency and the Children's Bureau. States are required to match Federal child welfare funds. The State public welfare agency administers the plan and services are provided by the State and local public welfare agencies.

RESEARCH OR DEMONSTRATION PROJECTS

Grants for research or demonstration projects in child welfare are authorized by the Social Security Amendments of 1960 to be made to public or other nonprofit institutions of higher learning, and to public or other nonprofit agencies and organizations engaged in research or child welfare activities for projects of regional or national significance and for projects demonstrating new methods or facilities which may advance child welfare.

SUMMARY OF BUDGET

Mr. FOGARTY. Your appropriation for "Salaries and expenses" for 1962 is \$2,668,000 and the request for 1963 is \$2,853,000, an increase of \$185,000. For grants for maternal and child welfare the 1962 appropriation was \$69,100,000 and the request for 1963 is \$76,750,000.

The grants request will bring each of the three basic programs up to \$25 million. Is that the maximum authorized?

Mrs. OETTINGER. In each of the three programs.

Mr. FOGARTY. That is the maximum authorized.

EFFECT OF RESERVES

There is a reserve of \$36,000 in "Salaries and expenses" and \$75,000 in "Grants." How is that affecting the program?

You didn't offer up this, did you?

Mrs. OETTINGER. No, it was a reduction.

Mr. FOGARTY. Something you had to go along with?

Mrs. OETTINGER. It was an administration decision.

Mr. FOGARTY. I don't agree with that. Tell us how it affects your program.

Mrs. OETTINGER. We could have used those additional funds, but we have tried to make the reduction as workable as possible in light of the fact that while we are one agency, this fiscal planning rests upon a higher authority than ours for the benefit of all the agencies.

Mr. FOGARTY. Just tell me what you can't do because of this reduction?

Mrs. OETTINGER. Well, we needed to reduce the number of positions by four, and the number of positions were in social service, juvenile delinquency, and research. This meant less consultation.

Mr. FOGARTY. You had to take one position away from juvenile delinquency?

Mrs. OETTINGER. That is true.

Mr. FOGARTY. But the President thought that was such a necessary program that he established a special Committee on Juvenile Delinquency, didn't he, this last year?

Mrs. OETTINGER. A Juvenile Delinquency Committee that cuts across three of the departments—Labor, Justice, and HEW.

Mr. FOGARTY. Yes.

Mr. LAIRD. That is being attended to in the Justice Department. The Attorney General is Chairman.

Mr. FOGARTY. Now, what about the \$75,000 for "Grants"?

Mrs. OETTINGER. That was a reduction in the new grants for research on child welfare.

Mr. FOGARTY. I thought that was one of our most important programs?

Mrs. OETTINGER. It is an important program. We have a number of interested requests and we are responding to as much as we can of them with the remaining \$275,000.

Mr. FOGARTY. How many of these requests do you have that are approved but you won't be able to fund?

Mrs. OETTINGER. I think it is hard to tell at this time. We have a committee that has been set up, a group of technical advisers, who will

help us determine which of these requests are most valid and have the best research possible.

Mr. FORTNEY. The \$75,000 would be the equivalent of about three projects, the first year cost.

Mr. FOGARTY. What is your estimate of what could be effectively expended in this area in 1962?

Mrs. OETTINGER. Actually, you could spend an indefinite amount because there will be a number of good projects that will come to us, far exceeding the three that we will have to reduce. But there is a highly competitive number of requests as you know.

Mr. FOGARTY. I think you are doing a real good job. I think you ought to be doing more.

Anyway, in both of these cases, the reserve applies to activities for which you are requesting increases over the 1962 appropriation in the budget for 1963.

Mrs. OETTINGER. That's true.

Mr. FOGARTY. I have used this expression, Mr. Kelly, on other occasions that this looks like an "off-again-on-again" program, but this looks like a "double off-again-on-again" program.

Mr. KELLY. Well, there is no question that these are worthwhile programs. It is unfortunate that we had to place it in reserve.

PROPOSED USE OF RESERVES IF RELEASED

Mr. FOGARTY. Suppose you decided to release some of these funds? Do you think they could be used in the remaining months of 1962?

Mr. KELLY. Well, with respect to the reserve grants, I think this would be true. With respect to salaries and expenses, the four positions could be filled but you wouldn't utilize the amount of money that you would have if you put them on at the beginning of the year.

Mr. FOGARTY. Your increases in salaries and expenses cover practically all of your activities; is there anything more you would like to say about the need for this increase?

INCREASED RECOGNITION OF THE CHILDREN'S BUREAU

Mrs. OETTINGER. I think that we have had, over the years, evidence of people reaching out to us for a number of areas of consultation, reflected, of course, in our appropriation requests. I think it is gratifying to know how the States seek our consultation in each of the areas in which we offer it.

Mr. FOGARTY. It seems to me that in the past year, I have heard more about the Children's Bureau than I ever heard in the years before. I don't know if it is because more organizations are taking advantage of your programs or not, but it seems to be attracting more attention.

Mrs. OETTINGER. I think that many of the programs to which we are related are really at the focal point of some of our concerns about young people in this country, and that, therefore, because we have a rising population and because people are concerned with what is happening to children, it may have a little more public attention and publicity in the press.

INCREASE FOR CHILD WELFARE SERVICES

Mr. FOGARTY. Now, the big increase in the grants is \$6,250,000 for child welfare services. What will you do with that increase that couldn't be done with the current level of funding?

Mrs. OETTINGER. Child welfare services?

Mr. FOGARTY. Yes.

Mrs. OETTINGER. The problem of coverage is still with us, as you know; there are many counties that still have not achieved full coverage of professional workers and coupled with that is always the problem of enough well-trained workers to fill the positions. As you know, each time that we receive more funds, the States themselves expend an increasing amount of money on the training of the workers within their own State. So that this past year, for example, 679 young people are away at schools for graduate professional study. Some have come from organizations where they have had basic experience and many of them were really needed to immediately fill supervisory and other positions that will upgrade the total of the highly qualified professional workers in the agencies to which they will return.

Moreover, I think there is, in the total of child welfare service, a noticeable upsurge in the number of neglected children, badly neglected children. In this connection we have recently been studying children who have come to the attention of doctors in hospitals who have seen gross evidence of serious physical abuse. The consideration of the very well informed group of 25 advisers from a number of professions that we had in conference made us feel that it is more than an impression that we are having an increase of children who need special attention because of the kind of neglect and definite abuse to which children are subjected. So in this area of child welfare service, there is need for special attention. Additionally, there is the unmarried mother and the mentally retarded children and other groups that fall within this special purview of child welfare services.

UNWED MOTHERS

Mr. FOGARTY. Does the problem of unwed mothers come under this?

Mrs. OETTINGER. Indeed it does come under this. It is one of our more serious problems.

Mr. FOGARTY. We discussed this at some length a year ago, didn't we?

Mrs. OETTINGER. We did.

Mr. FOGARTY. What have you done since you last appeared here, in this area?

Mrs. OETTINGER. We have been very eager to see what the States have done with the additional funds that were available to them. And so early in the year we sent a questionnaire to the States asking them how they had used their money in relation to the problem of the unwed mother.

Mr. FOGARTY. What was the answer from Rhode Island?

Mrs. OETTINGER. The answer from Rhode Island was that they were putting on some special personnel which they felt were particularly important for the young unmarried mothers who had their children living with them; they therefore decided to assign more

agency staff to children in their own homes for additional casework services which will concentrate on these particular problems. They have also strengthened their agencies and their adoption program by some further work with young parents whose children are born out of wedlock.

Mr. FOGARTY. That is good.

Mrs. OETTINGER. They are only one of a number of States who have really responded with illustrations of ways to improve their programs.

Mr. FOGARTY. What is the best State?

Mrs. OETTINGER. That is always hard to judge, but I think that the entire view is interesting when you realize that apparently the States throughout the country have taken advantage of this opportunity to strengthen services.

Mr. FOGARTY. Let me put it another way; is there any State that you are really proud of in this area?

Mrs. OETTINGER. Of course, I am interested in the young unmarried mother and the teenage youngsters.

Mr. FOGARTY. That is what we discussed last year, the problems of the younger ones.

Mrs. OETTINGER. That's true.

Mr. FOGARTY. Now, are you proud of any particular State in the program?

Mrs. OETTINGER. Well, I think that Minnesota has done a good job and I think, perhaps, we could also point with some pride to the work that has been done in the District of Columbia because one of our big problems is the need to focus or increase service for the Negro unmarried mother and her baby.

They have put two caseworkers on the staff who are really trying not only to give services but to demonstrate what services can be done, and to help recruitment of applicants to adopt Negro babies.

HALFWAY HOUSES

Mr. FOGARTY. We have talked before about this lady in Rhode Island who was taking an active interest. She claimed, still claims, that we need something like a halfway house to get them out of this particular home into another area and that many can be rehabilitated and brought back to society, and get a new start.

Have we ever done anything along this line in trying to encourage States to establish halfway houses, help them with personnel, grants, of any kind, or demonstrations?

Miss ARNOLD. They have done that in juvenile delinquency. When it comes to unmarried mothers, they have been using foster homes.

Mr. FOGARTY. What is wrong with a halfway house?

Miss ARNOLD. I think that might have a possibility, I don't think it is really catching on yet. They have maternity homes and those are usually small homes.

Mr. FOGARTY. How could a project be started in this area? What would a State or a volunteer group have to do?

Miss ARNOLD. The welfare department could budget this money for payment of the costs of such a house. It could also, under our policies, enter into a contract with a voluntary agency for a project for setting up such a house.

Mr. FOGARTY. Are there any funds under this program to match State funds?

Miss ARNOLD. Yes, Federal funds could be used for this. Our policies are broad enough.

Mrs. OETTINGER. One of our latest statistics shows that 20 State agencies plan to begin, or increase purchase of foster care, maternity homes, group homes, or family homes. This came out of this recent study and means that these things have been started within the last 2 or 3 years.

Miss ARNOLD. Those group homes could be similar to the half-way house.

Mr. FOGARTY. Yes.

Miss ARNOLD. There are no maternity homes such as Florence Crittenton under public auspices. They are all voluntary maternity homes.

STUDY OF NORMAL CHILDREN

Mr. FOGARTY. We talked this morning, when Mr. Mitchell was here, about juvenile delinquency and all these studies regarding problem children. What are you doing about the normal children? Do you have any studies going on why a child is normal?

Mrs. OETTINGER. I think one of the greatest channels we have to the normal children is through their parents and through our publications.

Mr. FOGARTY. You really don't know why a child is normal, do you?

Mrs. OETTINGER. Well, we have some studies that tell us what is a guideline for average, at least, and I suppose average and normal are similar.

Mr. FOGARTY. I am talking about the child that grows up and stays out of trouble, is no trouble to his parents or to his school. I often wonder whether a real study had been made in this area to determine why that child is normal? What makes them normal—the environment, the home, or what?

FLORIDA ADOPTION STUDY

Mrs. OETTINGER. Miss Witmer might have something interesting to say about our Florida adoption study.

Mr. FOGARTY. All right.

Miss WITMER. This problem was the exact one we were tackling in our study of adopted children and those who were not adopted. One of the primary things that we were inquiring about had to do with the relationship between the kind of home a child gets into, and how he gets along in home, community, and school.

We found that there is a very close association between those two things. We therefore think that it is especially important that the courts and the welfare departments and agencies, in their social investigations, should pay great attention to this fact.

Mr. FOGARTY. I just thought if we knew more about the normal children, it might help us in some of these other areas with problem children; we might learn more that way. What do you think?

CHILDREN'S BUREAU PUBLICATIONS

Mrs. OETTINGER. I think sometimes our publications are a great comfort to parents. For example, our publication on adolescence and our publication "Your Child from Six to Twelve," and our new one on "The Child From One to Six."

Mr. FOGARTY. What is the most popular?

Mrs. OETTINGER. "Infant Care" remains the bestseller with over 42 million copies. With our new edition of "Your Child From One to Six," I think we are going to find a tremendous upsurge of interest because it does help parents to know that you can deviate a little bit once in a while and a child mustn't be perfect to be normal. I think that over the years these publications have given a great deal of comfort to parents and a great deal more confidence in themselves as parents, because they know that even normal children have problems.

RESEARCH OR DEMONSTRATION PROJECTS IN CHILD WELFARE

Mr. FOGARTY. You have an increase of \$1,475,000 for "Research or demonstration projects in child welfare," but \$955,000 is for the so-called full funding feature, so you are really only asking for an increase of \$520,000 for 1963.

Isn't that right?

Mr. FORTNEY. That's right.

Mr. FOGARTY. Give us a couple of examples of projects now, and tell us about your plans for 1963.

Mrs. OETTINGER. We are considering the projects for 1962 at the present time, and we are encouraging projects that are closely related to what we might call our program operations. We are interested, for example, in the children who must be removed from their own homes and who have to be away, how quickly they can be gotten back. We are interested to look at foster care and ways that it can be more successful for the infant or for the older child.

We are interested in some of our adoptions and how well they are working out, particularly adoptions of children who are handicapped.

We are interested in problems that have to do with day care, with homemaker services. How can these help children to stay in their own homes more permanently, what are promising ways of offering this service?

And then we are interested in that overall problem that relates to the way the program is administered, or organized, so that it can be most effective, in its help to the child.

And we offer this kind of latitude to the nonprofit or public agencies who are making applications to us, and these applications will be reviewed and grants made early in the spring.

INTEREST IN CHILD RESEARCH

Mr. FOGARTY. Now, do you think you are going to have enough money in your 1963 budget to finance all the projects that will be approved for 1963?

Mrs. OETTINGER. Well, our request for applications and interest that is stirred has been very promising. We are also very much grati-

fied by the interest that the specialists and experts in the field have taken in becoming panel members.

They seem to feel this is a long-neglected field. We know so much more about health situations than we do about many of the things that apply to social situations. We feel that we are going into a pioneer field here.

Mr. FOGARTY. What do the pediatricians think?

Dr. LESSER. The pediatricians are not involved in this particular research activity, but, of course, they are much interested in some of our own special project grants in some areas in which we have mutual interests.

EXAMPLES OF SPECIAL PROJECT GRANTS

Mr. FOGARTY. Well, give me a couple of examples.

Dr. LESSER. Well, this year with the increase in funds we have been able to increase the number of special project grants for special clinical services for adolescent boys and girls, and for training of residents and graduate training in the area of adolescent medicine.

This is related to your question before about what is a normal child and what makes a child normal. We know even less about normal adolescence, and these grants are enabling the health departments and teaching hospitals to set up special clinics.

RESEARCH APPLICATION APPROVAL PROCESS

Mr. DENTON. Will you explain what the approval process is for these applications?

Mrs. OETTINGER. You mean in the Child Welfare Research?

Mr. DENTON. Yes.

Mrs. OETTINGER. The application is submitted, is reviewed by the staff, is reviewed not only by the social service staff to find out whether it has primary demonstration and study aspects or research aspects, but is passed on in both cases to the research staff to determine from the staff point of view how researchable it is.

Mr. DENTON. Now, are these staff people employees of the Government or outside people?

Mrs. OETTINGER. They are our own staff people. Then we have what we call a review panel of experts who have been asked to serve. We send to them all the applications, but ask them to give especial attention to these which are of special significance to their own field of interest.

They return their reports; they are again processed. At the same time we want to emphasize that we have an interchange of information with the Social Security Administration, so that they know of the research applications that we have, just as we know of the applications that come to their attention.

Mr. DENTON. This review panel is outside people?

Mrs. OETTINGER. Yes; they have been selected.

Mr. DENTON. Would you put a list of them in the record?

Mrs. OETTINGER. We would be glad to.

(The following was subsequently submitted for the record:)

To date, the following individuals have agreed to serve on the panel of experts to review child welfare research and demonstration projects. They will serve without compensation.

Miss Edith F. Balmford, New York, N.Y.

Mr. Warren M. Banner, Director of research, National Urban League, Inc., New York, N.Y.

Mr. Earl J. Beatt, executive director Family and Children's Service, Minneapolis, Minn.

Mrs. Rose Bernstein, Brookline, Mass.

Mr. Samuel P. Berman, executive director Edgewood Children's Center, Webster Groves Mo.

Dr. Bernice Boehn, child welfare consultant, State Department of Public Welfare, St. Paul, Minn.

Donald Brieland, Ph. D., director of children's services, Department of Mental Health, Chicago, Ill.

Dr. Sophie T. Cambria, Hunter College, New York, N.Y.

Mr. Anthony DeMarinis, executive director, Family and Children's Service of Greater St. Louis, St. Louis, Mo.

Mr. James R. Dumpson, commissioner, Department of Welfare, New York, N.Y.

Mr. Joseph W. Eaton, professor of social work, research, and sociology, University of Pittsburgh Graduate School of Social Work, Pittsburgh, Pa.

Mr. Hans S. Falck, associate professor of social work, Washington University, the George Warren Brown School of Social Work, St. Louis, Mo.

Mr. David Fanshel, director of research Child Welfare League of America, Inc., New York, N.Y.

Mrs. Helen Field, associate, Division on Social Services to Families and Individuals, United Community Services of Metropolitan Boston, Boston, Mass.

Mr. Milton Goldman, executive director, The Jewish Family and Children's Bureau, Baltimore 1, Md.

Mr. Raleigh C. Hobson, Director, Department of Public Welfare, Richmond, Va.

Mr. Isaac L. Hoffman, Amherst H. Wilder Foundation, St. Paul, Minn.

Dr. Julius A. Jahn, School of Social Work, University of Pennsylvania, Philadelphia, Pa.

Dr. Alfred J. Kahn, New York School of Social Work, New York, N.Y.

Mr. Saul Kaplan, research director, Health and Welfare Association, Pittsburgh, Pa.

Dr. Garnet Larson, School of Social Work, University of Nebraska, Lincoln, Nebr.

Mr. Harold Lewis, chairman of Research Department, University of Pennsylvania School of Social Work, Philadelphia, Pa.

Mr. Martin B. Loeb, professor, University of Wisconsin School of Social Work, Madison, Wis.

Miss Mary E. Macdonald, professor, the University of Chicago, the School of Social Service Administration, Chicago, Ill.

Mr. Arthur Mandelbaum, chief psychiatric social worker, the Menninger Clinic, Topeka, Kans.

Dr. Henry S. Maas, professor of social welfare, School of Social Welfare, University of California, Berkeley, Calif.

Dr. Edmund V. Mech, associate professor, School of Social Work and Social Research, Bryn Mawr College, Bryn Mawr, Pa.

Miss Jennie Mohr, professor of social economy, Simons College School of Social Work, Boston, Mass.

Mr. Robert M. Mulford, general secretary, Massachusetts Society for the Prevention of Cruelty to Children, Boston, Mass.

Miss Dorothy W. Myers, research director, United Community Services of Metropolitan Boston, Boston, Mass.

Miss Mary B. Novick, consultant, Laurin Hyde Associates, Santa Monica, Calif.

Mr. Robert F. Ott, United Community Services of Metropolitan Boston, Boston, Mass.

Mr. Howard J. Parad, director, Smith College School for Social Work, Northampton, Mass.

Mr. Edward J. Power, executive secretary, Diocesan Bureau of Social Service, Hartford, Conn.

- Muriel W. Pumphrey, D.S.W., supervisor, Department of Social Work, Malcolm Bliss Mental Health Center, St. Louis, Mo.
- Mr. Ellery F. Reed, president and treasurer, Social Welfare Research, Inc., Cincinnati, Ohio
- Mr. Bernard Ross, associate professor social work and research, Bryn Mawr College, Bryn Mawr, Pa.
- Mr. Paul Schreiber, director, the Louis M. Rabinowitz School of Social Work, Hunter College of the City University of New York, New York, N.Y.
- Mr. I. J. Shain, research director, Judicial Council of California, Administrative Office of the Courts, San Francisco, Calif.
- Miss Ann W. Shyne, research associate, Community Service Society, Institute of Welfare Research, New York, N.Y.
- Miss Katherine Spencer, associate professor in research, Boston University School of Social Work, Boston, Mass.
- Dr. Hermann D. Stein, professor of social work, New York School of Social Work, New York, N.Y.
- Mr. Edward Suchman, New York City Department of Health, New York, N.Y.
- Prof. Edith Varon, School of Social Work, University of Connecticut, Hartford, Conn.
- Mr. R. Clyde White, professor of social work, Houston, Tex.
- Miss Lois Wildy, executive director, Illinois Children's Home and Aid Society, Chicago, Ill.
- Mr. Joseph L. Zarefsky, executive secretary, Community Council, Houston, Tex.
- Mr. Sidney E. Zimbalist, research director, Community Service Council of Metropolitan Indianapolis, Indianapolis, Ind.

Mrs. OETTINGER. Moreover, we have an additional final panel which is an advisory group of consultants to the Bureau Chief, and this group recommends to me, as the result of all the studies that have been made and all the comments that have come to them on each of the applications, those applications which they think should receive the highest priority.

We ultimately make the grant in the Bureau and through our channels in the Social Security Administration.

Mr. DENTON. Will you put the names of the members of that last group in?

Mrs. OETTINGER. Yes.

(The requested information follows:)

- C. Wilson Anderson, commissioner, Office for Children and Youth, State Department of Public Welfare, Harrisburg, Pa.
- Norris Class, School of Social Work, University of Southern California, University Park, Los Angeles, Calif.
- Frances Davis, director Division of Child Welfare, State Department of Public Welfare, 2137 Liberty Street, Jacksonville, Fla.
- David French, Florence Heller Graduate School for Advanced Studies in Social Welfare, Brandeis University, Waltham, Mass.
- Charles P. Gershenson, associate executive director Jewish Children's Bureau of Chicago, 1 South Franklin Street, Chicago, Ill.
- Leonard S. Kogan, director, Institute of Welfare Research, Community Service Society, 105 East 22d Street, New York, N.Y.
- Hylan Lewis, Director of Child Rearing Project, Health and Welfare Council of the District of Columbia, 1101 M Street, N.W., Washington, D.C.
- Joseph H. Reid, executive director, Child Welfare League of America, Inc., 44 East 23d Street, New York, N.Y.
- Edward Schwartz, School of Social Service Administration, University of Chicago, 5750 Ellis Avenue, Chicago, Ill.

RESEARCH GRANT PRIORITIES

Mr. DENTON. How do they rate them, one, two, three, and four?

Mrs. OETTINGER. You mean how do they rate them in priority?

Mr. DENTON. Yes.

Mrs. OETTINGER. Well, it is practically a numerical priority, although there is a good amount that is qualitative.

Mr. DENTON. How far down are you on your list?

Mrs. OETTINGER. No applications priorities are established yet, because we have only had the first meeting of this group which was devoted to setting up policies and ways of proceeding, and answering certain technical questions.

EXTENT OF APPLICATIONS

Mr. DENTON. How many applications do you have now?

Miss ARNOLD. About 8 or 10. The due date is not here yet; it is March 1. A number of people have asked if we can extend that.

(Note: The committee was subsequently advised that as of March 2, over 40 applications have been received.)

Mr. DENTON. That is only 1 day.

Miss ARNOLD. Yes, but a number have asked us to extend that date, which we are going to do.

Mr. DENTON. How much do you have in your fund?

Miss ARNOLD. \$275,000.

Mr. WYNKOOP. We can finance 11 projects.

Mr. DENTON. How did you arrive at this figure?

Mrs. OETTINGER. The number that we can support?

Mr. DENTON. Yes.

Mrs. OETTINGER. An average of what the cost has been in similar kinds of research situations.

INFANT DEATH RATE

Mr. DENTON. We indicated in our report last year that we thought you and the Public Health Service should be more concerned about the infant death rate going up. What have you done there?

Mrs. OETTINGER. We have a good report for you this year about the infant death rate, and I would like to read it to you since it gives us a picture that is the lowest of any rate we have ever achieved.

Mr. DENTON. That is good.

Mrs. OETTINGER. The death rate for 1960 was 25.7 as compared with 26.4 for 1959. The 1960 rate is lower than the previous lowest rate of 26 which was achieved in 1956.

Mr. DENTON. Could you just put a chart in the record on that?

Mrs. OETTINGER. We will be glad to. What we have done about it, you will be interested to know that the numbers of patients who have come to the well-baby and prenatal clinics have increased, and there are more clinics as well as more people. All, of course, are beamed toward the essential job of lowering the infant mortality rate.

(The requested information follows:)

Infant mortality rate, United States, each State, and specified areas, 1955-60, by place of residence—exclusive of fetal deaths

[Number of deaths under 1 year per 1,000 live births]

Area	1955	1956	1957	1958	1959	1960 ¹
United States.....	² 26.4	² 26.0	² 26.3	² 27.1	³ 26.4	⁴ 25.7
Alabama.....	32.0	30.9	32.1	35.4	31.8	-----
Alaska ⁵	37.4	41.2	38.0	38.7	42.9	-----
Arizona.....	34.8	32.3	35.7	33.0	33.1	-----
Arkansas.....	27.7	25.7	26.2	26.3	26.5	-----
California.....	23.6	24.0	24.9	24.6	23.6	-----
Colorado.....	30.3	29.1	30.2	30.6	28.8	-----
Connecticut.....	21.7	21.8	21.7	23.8	22.4	-----
Delaware.....	25.0	24.2	23.4	28.1	24.8	-----
District of Columbia.....	32.2	33.5	35.5	38.7	36.8	-----
Florida.....	29.7	31.8	31.9	31.7	31.7	-----
Georgia.....	29.9	30.1	30.4	31.1	32.5	-----
Guam ⁶	-----	-----	-----	-----	-----	-----
Hawaii ⁵	20.6	22.6	24.0	23.1	24.0	-----
Idaho.....	20.8	22.3	24.8	23.7	22.2	-----
Illinois.....	24.8	24.5	25.5	24.9	25.0	-----
Indiana.....	25.0	24.3	23.8	24.6	23.4	-----
Iowa.....	22.1	20.6	20.9	22.7	21.5	-----
Kansas.....	23.3	23.3	22.4	23.0	22.6	-----
Kentucky.....	30.4	28.8	28.7	29.1	27.3	-----
Louisiana.....	31.6	30.4	32.3	34.7	32.9	-----
Maine.....	24.7	24.6	25.1	26.5	26.1	-----
Maryland.....	27.6	26.0	28.1	28.8	28.6	-----
Massachusetts.....	21.9	22.4	22.7	22.8	22.3	-----
Michigan.....	24.9	24.5	24.4	24.6	24.4	-----
Minnesota.....	21.8	21.4	23.0	22.8	21.1	-----
Mississippi.....	37.0	37.9	37.0	41.0	39.0	-----
Missouri.....	25.3	24.5	25.0	26.4	24.5	-----
Montana.....	25.0	27.9	25.1	25.7	24.5	-----
Nebraska.....	23.7	22.8	23.9	24.7	23.5	-----
Nevada.....	30.0	33.8	30.8	31.9	32.4	-----
New Hampshire.....	25.7	21.7	26.4	24.9	22.1	-----
New Jersey.....	24.2	24.2	24.2	24.5	24.6	-----
New Mexico.....	43.0	35.9	39.4	37.3	32.9	-----
New York.....	24.3	23.7	23.9	24.5	24.7	-----
North Carolina.....	30.3	30.9	30.5	32.6	32.7	-----
North Dakota.....	25.1	24.8	25.7	24.9	23.7	-----
Ohio.....	24.8	24.7	24.7	25.3	25.0	-----
Oklahoma.....	26.7	26.6	25.6	27.4	24.1	-----
Oregon.....	24.1	23.0	21.9	23.4	25.1	-----
Pennsylvania.....	24.6	24.5	24.5	25.5	24.9	-----
Puerto Rico ⁵	55.8	55.1	50.3	53.2	47.6	-----
Rhode Island.....	23.4	24.2	24.1	21.3	24.0	-----
South Carolina.....	34.1	32.2	31.6	33.9	35.0	-----
South Dakota.....	26.1	23.3	26.0	26.3	22.9	-----
Tennessee.....	29.2	27.5	29.2	30.9	30.3	-----
Texas.....	30.3	29.5	29.5	30.6	28.5	-----
Utah.....	20.4	21.8	21.6	22.1	20.0	-----
Vermont.....	26.1	24.1	25.4	22.4	23.7	-----
Virgin Islands ⁵	44.9	66.5	50.1	44.3	43.4	-----
Virginia.....	29.5	29.6	30.2	31.1	31.0	-----
Washington.....	24.5	23.4	24.2	26.1	24.0	-----
West Virginia.....	27.3	25.2	27.4	26.4	27.2	-----
Wisconsin.....	23.7	22.8	22.2	23.6	23.4	-----
Wyoming.....	28.5	27.8	26.5	27.8	26.9	-----

¹ State data to be provided when available.² Exclusive of Alaska, Hawaii, Puerto Rico, Virgin Islands, and Guam.³ Exclusive of Hawaii, Puerto Rico, Virgin Islands, and Guam.⁴ Exclusive of Puerto Rico, Virgin Islands, and Guam. Provisional.⁵ By place of occurrence, except Alaska, 1959.⁶ Data not available.

Source of data: National Vital Statistics Division.

GRANTS TO INSTITUTIONS OF HIGHER LEARNING

Mr. DENTON. Mrs. Oettinger, would you tell us about the new provision in the 1960 amendments for special project grants to institutions of higher learning?

Mrs. OETTINGER. I think Dr. Lesser would probably develop that.

Dr. LESSER. Yes.

Mr. FOGARTY. Go ahead, Doctor.

Dr. LESSER. We have been making special project grants to State health departments and through them to institutions of higher learning since 1939. There was some question about whether or not there shouldn't be more specific provision in the statute. This was inserted in 1960. At the same time, provision was made for enabling us to make such grants directly to institutions of higher learning.

These special project grants are for purposes of demonstration programs, such as congenital heart disease and programs for services for adolescents. Also for training programs in support of the teaching of maternal and child health in school of public health and in certain kinds of graduate training.

These special projects have been extremely helpful to the States in extending and improving the programs into new areas, taking advantage of the development of new kinds of research, and in increasing services to children who hitherto had not been able to receive such services because research had not brought us this far.

POSITION OF CHILDREN'S BUREAU IN DEPARTMENTAL ORGANIZATION

Mr. FOGARTY. What is the position, or do you have a position, of the Bureau regarding where you should be in the organizational structure of the Department?

Mrs. OETTINGER. Well, as any bureau, we would like the maximum of independence. We feel, on the other hand, that the structure within which we work has proved a very congenial one and there are a great many supportive strengths within the Department. Actually, there would be very visible gains in a change providing that many of our current functions were maintained intact.

However, the decision in relation to this rests, of course, not only in relation to what we feel might be beneficial to us, but to what is beneficial in terms of the whole departmental structure. Therefore it is our job to work within the situation as it is set up by a consideration of the needs of the total Department. Our relationship to the Department is what we know is considered—being given consideration—as the most beneficial plan to all that are involved.

COMMITTEE RECOMMENDATION OF ORGANIZATIONAL CHANGES

Mr. FOGARTY. How did you like the language we put in the report last year?

Mrs. OETTINGER. Well—

Mr. FOGARTY. We said last year in our report that it has been suggested to every Secretary of the Department of Health, Education, and Welfare and every Administrator of Federal Security Agency that it is wrong to relegate the Children's Bureau to a third level position.

The committee strongly feels that the responsibilities and the activities of the Children's Bureau are of sufficient importance to warrant placing it on a level directly below the Secretary, rather than being just another office in the Social Security Administration. The Secretary has always had the authority to make such an organizational change and give the Children's Bureau the recognition that it deserves.

BUREAU'S RESEARCH RESPONSIBILITIES

The committee also indicated it felt that the Children's Bureau should be given more responsibility for research than it has had in the past.

The research programs of the National Institutes of Health have been primarily in the disease area and the committee is of the opinion that this is as it should be. There has been some tendency, however, during the past years to do more work in the behavioral research area, especially in connection with children. This, it seems to the committee, should more properly be the role of the Children's Bureau. When this was discussed during the hearings, considerable doubt was expressed as to the authority of the Children's Bureau to make research grants in this area. While much important research could be done directly, a well-rounded research program should include extramural activities. The committee is especially anxious that the Children's Bureau be given a more important role in connection with the problem of juvenile delinquency. It may well be that the committee itself is as much at fault as anyone for the current situation, for the committee encouraged the Mental Health Institution in this field rather than attempting to lay a foundation, and encouraging the Department to take the steps necessary for such a program in the Children's Bureau.

However, it will be expected that the Department give serious consideration to this matter during the next year and, if necessary, seek legislation to make a well-rounded program possible, and be prepared to present such a well-rounded program to the committee next year.

DEPARTMENTAL ACTION ON COMMITTEE RECOMMENDATIONS

What has the Department done?

Mr. KELLY. Mr. Chairman, the Secretary indicated that he had not underestimated the importance of the project, but that he had devoted during this year the preponderance of his time to the welfare problem, and agreed that he would devote time and energy to this problem.

However, I don't think this means that there has been no action with respect to the committee's recommendations. Steps have been taken to get a better identification between the Public Health Service and Social Security Administration and their areas of responsibility, and how they are coordinated and collaborate in the research field. There has also been suggested in connection with the welfare legislation an increase in child welfare area, and specifically there has been suggested legislation that would authorize grants and conditions to an extent not now possible.

In connection with the administration of the new juvenile delinquency bill, the Children's Bureau has been made a full partner, and the technical assistance area has been made their responsibility, as part of the positions authorized. I think they are 14 in number, to carry out their part of it.

Mr. FOGARTY. So some good did come of this language?

Mr. KELLY. I think so.

Mr. FOGARTY. But, the Secretary said that he put most of his time on the welfare proposals.

Dr. LESSER. There is one other aspect of this, having to do with the comments in the report about Children's Bureau research. The ad-

ministration is interested in this, and there is a bill which has been introduced, H.R. 9299, which is before the Ways and Means Committee, that would give us additional authority to make contracts and research grants in areas related to maternal child health and crippled children's services.

Mr. FOGARTY. Has the Department recommended this?

Dr. LESSER. Yes, sir.

Mrs. OETTINGER. It was sent to the Congress on July 12, 1961.

FIFTIETH ANNIVERSARY OF CHILDREN'S BUREAU

Mr. FOGARTY. When is your 50th anniversary?

Mrs. OETTINGER. April 9, 1962.

Mr. FOGARTY. You ought to be pretty happy about this.

Mrs. OETTINGER. We are happy about it because, as we have looked back over the record, we see there is much to be proud of in the achievements of the past years, and this is an occasion to rejoice in our happy association with the many voluntary agencies with whom we have worked and with other public and Federal agencies as a kind of a partner, so that our accomplishments are really not completely our own, but are the result of cooperative work with many other groups.

As a consequence, a group of citizens have asked the Secretary if they might join with the Department in making this celebration appropriate, and have set up a group of about 50 members that are representative of many of the organizations who have been friends of the Bureau over the years in the field of health and welfare, and research, religion, education, and many other groups.

They are all banding together to see that we have a day-long celebration on April 9. It will properly commemorate this occasion. It will start with a meeting in the morning here in Washington and end with a gala dinner and I think that many officials of Government, as well as distinguished citizens, including people from the international field, will join with us on that day, not only to look back but to gain perspective from what has happened, to look ahead, to see what should be done for children in the next 50 years.

Mr. FOGARTY. You are satisfied with the plans?

Mrs. OETTINGER. I am really excited about the plans; the invitations have gone forth, including invitations to Congressmen, and we very much hope that the committee will find an opportunity to come with us on that day so we can all look together at some of the things that have been our common responsibility.

Mr. FOGARTY. We hope it is a very fitting celebration.

JUVENILE DELINQUENCY

Mr. Green, do you want to say anything about the problem of juvenile delinquency?

Mr. GREEN. Yes.

Mr. FOGARTY. What are you doing and what do you hope to do?

Mr. GREEN. We have been working very closely with the other group because, as you can appreciate, as soon as the President designated an overall Committee on Juvenile Delinquency, they created a tremendous amount of interest in areas that heretofore had not really been paid too much attention to. As a result, it is not only a question of in-

creased interest in the Juvenile Delinquency and Youth Offenses Act that has passed, but also it stimulated a number of agencies that provide direct services to the delinquent to take a look at their programs again, to review them, and to try to expand them and to improve them.

In order to do that they have, of course, asked for additional consultative help in this area. I think you are aware of the fact that we will be completing a study in Rhode Island before the fiscal year is out. We had one very fine meeting with your representatives, a preliminary meeting as to the various areas that we are going to include for our particular part of the study. We will be beginning that program probably within the next month or month and a half, as soon as we complete the study in the State of Idaho.

We have another one pending in Alaska, and yesterday we had a request come from the State of Georgia, and we are going to work with Georgia in terms of ascertaining the various parts of their program that we can take a look at. This will be primarily in the areas of law enforcement, and in courts, and the laws relating to the courts—detention, diagnostic centers, and the training schools; and, in some places, the halfway houses that you made reference to earlier.

So our consultative services are considerably increased, and I presume when the first grants are made by the special units in the Office of the Secretary that this, again, will require responses on our part as it gets into communities where there are agencies that will want to enhance their direct services again to delinquents.

WORK WITH PRESIDENT'S COMMITTEE

We have been working very closely with the President's Committee and with the new unit in a variety of ways. First of all, they have brought in a great deal of new staff and they wanted the benefit of our staff that has been on the job now for the last 7 or 8 years.

Also, we have assisted them in developing their State files from the many contacts that we have had throughout the 50 States and the territories. We have gathered a great deal of information and programs and we have been able to help them establish what they call State profiles. This is both demonstration and training. We are in daily contact with them in terms of aiding and assisting the President's Committee.

MR. FOGARTY. So you are satisfied with the progress you are making?

MR. GREEN. Very pleased.

MR. FOGARTY. I see this reserve took one position away from you. What is the effect of that?

MR. GREEN. Well, it simply means being slightly delayed in getting to some of our requests.

MENTAL RETARDATION

MR. FOGARTY. Who wants to talk about mental retardation?

MRS. OETTINGER. Well, I think we have given you a report for your Committee because this has been a year in which we have looked back over the last 5 years with special encouraging estimates of the number of clinics for evaluation and diagnosis that have been established for young children through the State health departments. You know

they have moved from 4 States to 46 States, and of the 82 clinics in the country, 50 have now some support through maternal and child help funds.

PHENYLKETONURIA

We also feel some movement, certainly, in relation to the special studies that have been made, and I think that probably Dr. Lesser would like to develop that at some length because I think it may be one of the most significant advances that has come in the way of understanding one aspect of mental retardation—phenylketonuria. The Children's Bureau has been able to get the cooperation of 26 States in screening, and is now moving forward to still another method of testing that has been developed by Dr. Guthrie.

Mr. FOGARTY. Blood tests?

Mrs. OETTINGER. Yes; blood tests. They will make it possible not to wait until children come to baby clinics, but to get a greater coverage throughout the country by the simple tests before the child is brought home from the hospital where over 90 percent are born.

Mr. FOGARTY. Has this been proven; the blood test?

Dr. LESSER. Dr. Guthrie has had some good results doing this himself. He has had a great many inquiries from hospitals and health departments for information about this. What it needs is confirmation by additional people on a much larger scale that he is able to do himself.

We are working with him on this, to try to arrange to have this done on several hundred thousand newborn infants so that a number of other questions about these tests can be answered, which we are unable to do with the small number that he has done to date.

For example, in Erie County, which is Buffalo, N.Y., the hospitals have already started and they are going to test all the babies born in the hospital, which is about 25,000 a year, and similar tests will be done in other hospitals throughout the country.

So we can reach some conclusions as to how practical and feasible this is. Much depends on how old the baby is when he is discharged from the hospital. If he is 3 days old, the test is not too reliable. If he is 5 days old, the test is much better.

The great advantage of this, of course, if it is practical, is that most babies are born in the hospital and you can do this relatively simply before they go home. Once they are home, they are scattered all over and it is difficult.

Mr. FOGARTY. If it could be determined at the age of 3 or 4 or 5 days then there is no reason why that test couldn't be applied by every hospital.

Dr. LESSER. That is our hope. We also engaged in another study with the clinics which receive support from us, plus others that have wanted to join. That is a collaborative study of babies placed under treatment, babies with phenylketonuria, if placed under dietary treatment during the first year. They will be studied under certain conditions to see how well they develop, to answer questions on how long it is necessary to keep them off milk and on a special dietary treatment, and so on.

The number of cases are not enough for one or two clinics to be able to answer these questions but by doing this together, we do have enough cases.

Mr. FOGARTY. Any other area that shows improvement in this problem?

OASI PAYMENTS FOR MENTAL RETARDATION

Mr. WYNKOOP. Mr. Fogarty, this is not directly responsive to your question, but payments from the OASI program to persons who are suffering from mental retardation will have been about tripled during the period 1959 to 1963.

Mr. FOGARTY. Do you have an estimate on that?

Mr. WYNKOOP. Yes, sir. I am not sure if I have it right here.

Mr. FOGARTY. Will you supply it for the record?

Mr. WYNKOOP. Yes sir; I certainly will. I have it here.

Mr. FOGARTY. You can put it in the record.

Mr. WYNKOOP. All right.

(The requested information follows:)

Estimated payments from old-age and survivors and disability insurance program to individuals disabled by mental retardation

1959-----	\$19, 300, 000
1960-----	29, 300, 000
1961-----	39, 300, 000
1962 estimate-----	49, 700, 000
1963 estimate-----	61, 300, 000

AIDS TO MENTALLY RETARDED THROUGH THE SOCIAL SERVICES

Mrs. OETTINGER. Mr. Fogarty, I think it would be unfair to stop our discussion of the Children's Bureau activities in relation to the mental retardation without mention of the promising results from the special attention to the children who are receiving help from social services in public welfare.

Mr. FOGARTY. No one is attempting to stop you yet.

Mrs. OETTINGER. They need some special consultation and guidance from people with special knowledge. This we have been able to supply for the States. Agencies have reached out eagerly for this kind of help. Additionally, I think that specialized training has been integrated into the various professions who are associated with working with children who are mentally retarded.

The social services have achieved this, and so have many of the nurses. Of the 28,000 public health nurses, about 90 percent of them have been given greater knowledge of the field of mental retardation, as have many physicians and other allied medical workers.

Mr. FOGARTY. You say 90 percent of the public health nurses have had some opportunity?

Mrs. OETTINGER. Have had some opportunity to have greater understanding of the problem of retardation. Of course, the important first line of defense is—

Mr. FOGARTY. What do you call a public health nurse?

Mrs. OETTINGER. One who visits the home.

Mr. FOGARTY. You are talking about visiting nurses?

Mrs. OETTINGER. Yes, sir; and the health departments. Health departments have over the last several years had institutes for nurses, sometimes several times a year, to acquaint them with their role in this stepped-up emphasis on mental retardation.

ACTIVITIES IN RHODE ISLAND

Mr. FOGARTY. Was the Rhode Island Health Department in this?

Dr. LESSER. Yes, Rhode Island has several interesting programs. They do have mental retardation clinics which have been in operation for several years.

Mr. FOGARTY. It wasn't very well supported by the Rhode Island Health Department, though.

Dr. LESSER. I think that they have come to appreciate it more.

Mr. FOGARTY. It couldn't get much worse; could it?

Dr. LESSER. In addition, Rhode Island has an outstanding dental program for retarded children which I think is lacking in other States.

Mr. FOGARTY. Yes, that is a really good program. There isn't another State that has started one; is there?

Dr. LESSER. I don't think so; and they have also produced a very good film.

Mr. FOGARTY. They have just expanded the services in the past couple of weeks.

Dr. LESSER. This is really an outstanding program. We have seen some very nice mail from parents about this dental service.

ADDITIONAL MEANS OF ASSISTING THE MENTALLY RETARDED

Mr. FOGARTY. Is there anything else you want to say about the mentally retarded? What else do you think we ought to be doing?

Mrs. OETTINGER. In the social services I think the outstanding need was greater counseling with parents. There was a study made that indicates that parents themselves feel that there are so many unanswered questions. I think we have made this effort to extend this, and it still needs further extension.

Also, day care service for mentally retarded children has made it possible for them to stay at home, where otherwise they would have had to go to institutions. I think we need to learn more about how they can be set up in the most helpful way.

Mr. FOGARTY. Where is a good example of this?

Miss ARNOLD. The two States we have are Colorado and Utah, where they have day care centers for trainable mentally retarded children. In Utah, they started with a State appropriation of \$50,000, and it has been increased to \$200,000 for this specific type of facility.

Mr. FOGARTY. We have an occupational training center in Rhode Island. It was brought to my attention a while ago that about 30 percent of those who are receiving this training, and are now working, were taken out of the local public institutions. They were taken out of the institution, living at home, and learning to do something worthwhile.

Mrs. OETTINGER. And to enjoy life.

DAY CARE CENTERS

Mr. FOGARTY. How do these day care centers work?

Miss ARNOLD. I am not too familiar with the details, but they are set up under the auspices of the State. Utah has a State-administered program; their services are administered by the welfare department.

Mr. FOGARTY. Do you think that is good? Do you think they should be administered by the welfare department or the health department?

Miss ARNOLD. Day care has traditionally been a part of welfare services.

Mr. FOGARTY. Well, that is not a good answer to my question.

Miss ARNOLD. Well, we think that day care services should be a part of the child welfare program; at least I think so.

Mr. FOGARTY. Is that because you are a social worker?

Miss ARNOLD. Yes, probably. We think there should be a good health and medical care service, as well as educational service in the day care center.

Mr. FOGARTY. I suppose from State to State some have good welfare departments and some have poor ones. So I suppose it would depend a great deal on the State.

Miss ARNOLD. Yes. We have defined day care as care and protection of children who must be cared for away from their own homes for less than 24 hours a day. Therefore, we feel it is a part of welfare services.

Mr. FOGARTY. Is there anything else you would like to say? Anything else that ought to be done in this area that we are not doing that you can think of?

Mrs. OETTINGER. I think perhaps we will uncover some more things through our research projects.

SPEECH AND HEARING DEFECTS

Mr. FOGARTY. What about speech and hearing defects? Do you want to say something about this problem?

Dr. LESSER. As to speech and hearing activities, last year some 4.5 million children, mostly of school age, had their hearing tested, and in the crippled children's program about 23,000 children who are actually handicapped by hearing impairments received services—medical services.

This number increases from year to year. In addition to the support through the regular grants of the States, we also support speech and hearing projects in Colorado, Hawaii, Maine, Pennsylvania, and in several other States.

Mr. FOGARTY. What about Rhode Island?

Dr. LESSER. Well, we don't have a specific hearing program in Rhode Island. There is a project which is related—that is, children with communication problems; children who aren't learning to speak because of some brain damage—at the Bradley Home. But a project for children with hearing impairments, I think, remains to be developed.

Our speech and hearing consultant was up to Providence a few months ago discussing this, and I think there are good possibilities on this.

Mr. FOGARTY. I thought perhaps something had already been started.

Dr. LESSER. I don't think so. Some suggestions were made to the State health officer with regard to this. I think either the Meeting Street School could be developed, or the Rhode Island Hospital Speech and Hearing Center.

We are also supporting training for audiology in five universities at this time. These are training programs which are associated with

medical schools, directly relating to training people for working in these programs.

Mr. FOGARTY. That is still a terrific shortage of audiologists in this country.

Dr. LESSER. Yes, sir; it is still a new science and we are still learning a good deal about it, and many people have to be trained.

Mr. FOGARTY. A shortage of teachers also?

Dr. LESSER. Yes.

Mr. FOGARTY. What are we doing about it?

Dr. LESSER. There is some legislation with respect to the training of teachers.

Mr. KELLY. As I recall, with respect to not just the hard-of-hearing, or is that with respect to the area of deafness?

Dr. LESSER. Including hard-of-hearing.

CONGENITAL HEART DEFECTS

Mr. FOGARTY. What about the children with congenital heart defects? Are you making any more headway with this problem than we have in the past? Are these operations getting any simpler, are they getting cheaper, or are they more expensive, or what?

Dr. LESSER. It isn't getting cheaper, and we are getting more children. In 1960, 16,784 children with this diagnosis received service in the crippled children's program. This is an increase of about 2,500 over the previous year. It increases at a little over 2,000 per year.

Mr. FOGARTY. What is the most common kind of congenital heart defect?

Dr. LESSER. In a typical form, the baby is found to turn blue very easily on crying or any exertion, and doesn't grow well. There are murmurs of various kinds which are heard. Some babies are cyanotic at rest. In other words, the baby has obvious symptoms of heart disease from birth on. This kind of heart disease can only be congenital.

Mr. FOGARTY. What is the average cost of correcting it?

Dr. LESSER. Well, the average cost for a case with open heart surgery, that is the child who is operated on, runs between \$2,000 and \$2,500. That is, the cost to the State agency.

It is much higher for private patients. This includes hospital care, the surgical fee which is usually a good deal lower for State agencies, the cost of special duty nurses, blood, the operation of the heart lung machine.

Mr. FOGARTY. How many did you say were operated on, 16,000?

Dr. LESSER. They weren't all operated on. I will have to estimate that probably about 25 percent of these were operated on.

Mr. FOGARTY. Between 4,000 and 5,000?

Dr. LESSER. I would think so.

Mr. FOGARTY. How many children in the country need this operation?

Dr. LESSER. We think that about 30,000 babies are born each year with congenital heart disease. A certain portion of these die before they are operated on, but 80 percent of them I believe could be cured or their condition greatly alleviated with proper treatment.

Now, how many there are altogether I don't know, but this is apparently the additional number that we get each year.

Mr. FOGARTY. This is a very expensive operation?

Dr. LESSER. Yes, it is.

CHILDREN NOT TREATED FROM LACK OF FUNDS

Mr. FOGARTY. Are there any children that are not being operated on that should be because of the fact that there is lack of funds?

Dr. LESSER. Well, I think that there are, I think that there are children who are not being operated on when they need to because they are waiting, they are on waiting lists. But there are more centers available to take care of this than formerly.

Mr. FOGARTY. Do you have statistics showing the waiting list, State by State?

Dr. LESSER. No, we don't. This is a little hard to get at because part of the waiting list is due to the fact that the doctors may decide they had better hold off for 6 months. That may be due to schedules, it may be due to the child's condition.

Mr. FOGARTY. You said 30,000 are born every year. How many are treated, would you estimate?

Dr. LESSER. This is really difficult, I don't know. I know that in one State, they have reported that the health department pays for about 80 percent of all congenital heart disease surgery in that State because it is so expensive. But there it is and an awful lot that we don't know about when they get treated with somebody else paying for it.

Mr. FOGARTY. Why do we not have more information?

Dr. LESSER. Well, it would require a pretty expensive study.

Mr. FOGARTY. How much would it cost, and how long would it take?

Dr. LESSER. I really don't know at this point.

Mr. FOGARTY. Well, supply it for the record.

Dr. LESSER. All right.

Mr. FOGARTY. How much do you think it would cost and how long would it take and what benefits do you think would be derived from such a study.

Dr. LESSER. All right.

(The requested information follows:)

The information requested is as follows:

Children with congenital heart disease

1. *Study of waiting list and waiting period for diagnosis and treatment.*—A minimum of 25 hospitals having sizable caseloads of children with congenital heart diseases would be used as sources of information regarding the interval of time between:

(a) a patient's application for diagnostic workup and the time the diagnostic work was performed;

(b) the time of recommendation for surgery and the time the surgery was actually performed.

2. *Study of children of known cases receiving care and those not receiving care.*—The 300 hospitals in the United States which are approved for the training of interns and residents in pediatrics would be canvassed for information regarding their caseload of children with congenital heart disease. The study would attempt to obtain the following facts:

(a) percentage of cases recommended for diagnostic services and receiving same;

(b) percentage of cases recommended for surgery and receiving same. This study would give us information on a much wider basis than study No. 1 with respect to cases who are not receiving recommended care as well as those who are.

The duration of these two studies is estimated to be about 2 years. The same staff would be occupied in both studies at an estimated cost of \$75,000 a year.

Such a study would provide valuable information regarding the volume of known cases, length of waiting lists, and reasons for delay in treatment and proportion of known cases receiving care. We would then be in a much better position to plan for further program development in this field.

Mr. FOGARTY. Is there anything else you would like to say?

Mrs. OETTINGER. I think we have covered a panorama of our activity.

Mr. FOGARTY. I think you gave a good account of the Children's Bureau's activities.

ORGANIZATIONAL POSITION OF CHILDREN'S BUREAU

Mr. MITCHELL. Mr. Chairman, could I revert to the earlier statement about the organizational status of the Children's Bureau and make a very brief statement in connection with it?

I believe that what you read did not refer to the committee's recommendations about the organizational status of the Children's Bureau. I do not believe that in any year there was a specific recommendation made by a committee.

Mr. FOGARTY. We said all former administrators of the Federal Security Agency and secretaries of HEW had been urged to upgrade the organizational position of the Children's Bureau. But I have, as chairman, done it time and time again.

Mr. MITCHELL. I didn't specifically recall it. But just as a matter of general recommendation, of course, there are a lot of people who are generally recommending against it, too. But be that as it may.

Mr. FOGARTY. Let us get into that a little bit. Who were some of the people that are recommending against it?

Mr. MITCHELL. I, for one.

Mr. FOGARTY. But they tell me you have a change in mind, and I was wondering maybe you might have a change of mind about this, too.

Mr. MITCHELL. I think on that account I could speak with as complete a lack of prejudice as is possible. I think every Commissioner of Social Security has recommended against this and, of course, every Secretary and Administrator that had it before him has decided not to do it.

Mr. FOGARTY. I can understand why every Commissioner of Social Security would recommend against it.

Mr. MITCHELL. I would just like to say that people in the field are by no means of one mind.

I think it is a much deeper and more serious question than those who just recommended for or against it. I think there are considerations that need to be taken into account in determining what is proper, and even on that basis there are basic differences of opinion. But I don't think it can be demonstrated that the Children's Bureau has been prejudiced by its organizational location.

I have never found anyone who could point to a specific situation where the well-being of children or the well-being of the Children's Bureau was prejudiced by virtue of its organizational location.

The Chief of the Children's Bureau has always had complete and free access to the Secretary, and has attended Secretary's staff meetings. In all respects she has had an opportunity to state her case with complete freedom.

In practically every situation, the Children's Bureau has had backing of the Commissioner of Social Security.

Mr. FOGARTY. I don't think we ever said that they didn't. I just think they would be in a better position out by themselves, like the Office of Vocational Rehabilitation, and the Office of Education.

Mr. MITCHELL. In that respect, if you look at this from the standpoint of the Administrator, everyone likes to have control of his own program, but everybody can't be at the top. That is why you have reorganizations. There is a tendency for programs to seek independence, and when too many achieve it, it becomes unmanageable.

Mr. FOGARTY. Well, you and I just have a difference of opinion and I don't believe either of us is going to change the other's mind.

Is there anything else you would like to say, Mrs. Oettinger?

Mrs. OETTINGER. No.

Mr. FOGARTY. Thank you very much.

COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS IN SOCIAL SECURITY

WITNESSES

MRS. IDA C. MERRIAM, DIRECTOR, DIVISION OF PROGRAM RESEARCH

WILLIAM L. MITCHELL, COMMISSIONER

JOSEPH H. MEYERS, DEPUTY COMMISSIONER

ROY L. WYNKOOP, ADMINISTRATIVE OFFICER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
Grants, contracts, and cooperative arrangements (total program costs)-----	347	625	1,018
Changes in selected resources ¹ -----			882
Total obligations (object class 41)-----	347	625	1,900
Financing: Unobligated balance lapsing-----	3	75	
New obligational authority (appropriation)-----	350	700	1,900

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$0; 1961, \$0; 1962, \$0; 1963, \$882,000.

GENERAL STATEMENT

Mr. FOGARTY. Mrs. Merriam, do you have a statement for the committee?

Mrs. MERRIAM. Yes. Mr. Chairman, I would like to have a longer statement describing our cooperative research or demonstration projects in social security submitted for the record. Then, if I may, I would like to tell you briefly about what we are doing. I think this is really quite an exciting story.

(The statement submitted for the record follows:)

COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS IN SOCIAL SECURITY

When I appeared before you last year we had just made the first four grants under our new cooperative research and demonstration grant program and what I could report to you was still largely our hopes and expectations.

Today we have almost a year of progress behind us and I can speak with even greater conviction and assurance about the value of this program.

First, a brief report as to what was done with the \$350,000 available for grants from fiscal 1961 funds. Including the 4 grants awarded in March, which I described last year, we made a total of 16 grants by the end of May 1961, using essentially all of the funds that we had for this program. Because I think the members of the committee will be interested to know the range and general character of the projects that are being supported, I append a complete list at the end of this statement. I will try to summarize, in a moment, the kinds of knowledge and guides for future policy which we can see coming out of some of this research. But now I would like to indicate where we stand with relation to grants from fiscal 1962 funds.

Only 1 of the 16 projects receiving grants in fiscal 1961 got underway before June of last year. None of the projects has yet run for a full year and most of them have been in full operation for only about 6 months. However, as of February 1, the 11 projects which were planned to continue beyond 1 year have given us a report of progress and an indication of what they expect to do in the second year. The applications for continued support for these projects will be reviewed by our advisory panel early in March. In the aggregate we shall probably commit \$275,000 of fiscal 1962 funds for continuation grants.

We have recently announced three new grants, totaling \$118,000, which I will describe in a moment. Of the \$625,000 available this year under the operating budget, we thus have some \$230,000 remaining for the support of additional new projects from among the 36 applications that will be reviewed next month.

As you know, the statute authorizing this grant program names three specific areas to illustrate the kinds of problems with which the program should be concerned. They are "the prevention and reduction of dependency," the "coordination of planning between private and public welfare agencies," and improvement in "the administration and effectiveness of programs carried on or assisted under the Social Security Act and programs related thereto."

We are supporting research or research and demonstration projects in all three of these areas, with major emphasis on the first and the third. In many cases, of course, a single project will overlap more than one of these areas—as by pointing the way to program improvements through analysis of factors affecting attitudes toward dependency.

The problem of dependency has many aspects and we are certainly not yet in a position to support a broad or concerted attack on the basic questions that should be explored. I believe that we have, however, made a significant beginning. We decided at the outset to give some priority to research and demonstration projects relating to the problem of illegitimacy. Three grants from 1961 funds and one of the grants we have just made from 1962 funds have gone for this purpose. The studies are attempting to get at some of the factors underlying the recent increase in births out of wedlock. One deals specifically with teenage illegitimacy and the individual and community factors associated with this disturbing phenomenon. Several of the studies are giving particular attention to the differing personalities and circumstances of mothers with one and those with more than one illegitimate child. What arrangements, or what services can help rehabilitate the mother and contribute to the welfare of the child? If we are to break the cycle of illegitimacy and dependency we may have to pay more attention to what happens to these children and how their values and opportunities are shaped and circumscribed.

Another area in which we have begun to support some research is the relation of low income or marginal income and dependency. What differentiates

families just above the assistance level from those receiving assistance? What happens to families who apply for public assistance but do not meet the established tests of need and do not receive help? Is this a situation in which preventive services could be particularly effective? One grant we made last year was for the development of methods of exploring just these questions. Another grant focused on credit union service to low-income groups.

Family disorganization is a matter of direct concern and also of importance in any analysis of the causes of dependency. Two small studies and one larger project that are receiving support under our program are concerned with problems of family life. One small statistical study is analyzing the aid to dependent children cases found by the Florida Welfare Agency to involve unsuitable homes. This should provide some guides for future studies of this problem. An exploratory study of family problems in an area of rapid social change is attempting to identify problems arising in middle- and high- as well as in low-income families as a result of mobility. A study of the characteristics and special problems of fatherless families in a public housing project should add to our knowledge of this all too frequently dependent segment of our population.

We are now supporting three studies in the field of aging and a fourth will get underway soon as a result of a grant awarded in January. One of these studies has to do with the situations and decisions which lead to the institutionalization of aged persons. A second is a pilot study of nursing home costs and standards that can be of great help to public welfare agencies in their attempt to provide adequate care for old-age assistance recipients. Another project is analyzing data on the changes in the circumstances of retired persons over a period of years after retirement. The most recent award will support a study, based on a nationwide sample survey, of the influence of old-age insurance and private pension plans on such matters as attitudes toward saving, expectations concerning retirement and actual spending and savings decisions as these relate to family welfare and to dependency or independence.

We are supporting four research demonstration projects of great potential significance. All of them are testing the effectiveness of particular kinds of family or community services in preventing or reducing dependency. One of the projects, a research demonstration with dependent families plagued by many different kinds of problems, also involves coordination of planning between private and public welfare agencies. Two are being carried on by neighborhood guilds or settlement houses. One of these is offering home management and other training and services to families about to be evicted from public housing because of misbehavior and related problems. The other is exploring methods of changing values among Negro boys in aid to dependent children families many of whom are in danger of becoming delinquent. An award has just been made for a demonstration study on social aspects of urban renewal and forced urban relocation and the effectiveness of planned counseling and other services in helping families adjust to change.

Finally, we have supported an exploratory project to devise methods of evaluating the effectiveness of different administrative practices and different ways of using more and less skilled personnel in public welfare agencies.

In summary, let me make a few generalizations about this program. First, it is beginning to fill what has been a serious gap in our total research efforts in this country. Other grant programs touch upon and partially overlap the areas with which the social security program is concerned. Mental health, education and school dropouts, vocational rehabilitation, housing, urban renewal, area redevelopment, juvenile delinquency—all have some bearing on the prevention and reduction of dependency. No other research grant program, however, has this as a main focus, and consequently many significant areas of research have lacked support.

We are working closely with the other agencies that administer related grant programs. As the child welfare research grants program administered by the Children's Bureau gets underway, we shall be particularly concerned with the relations of this and the broader social security research and demonstration grant program. But beyond this we are beginning to develop methods of combining our efforts with those of other granting agencies to make possible more broadly based projects than might be supported by any one of the programs alone. We expect that the social security program will play an important part in the general advance of knowledge in these fields.

Second, we can already see a response to our program in the expansion of research efforts on the part of public and private agencies in the welfare field.

The majority of the research grants we have made thus far have gone to universities or research centers. This is where research capabilities are generally found. It is also true that many of the projects involve the advice and close cooperation of public or private welfare agencies. What we now see happening is that a number of such agencies are beginning to hire research staff of their own so that they can be in a better position to help formulate the questions that are most in need of study and experimentation. At the same time, the scholars and social scientists in universities throughout the country are also becoming more aware of the possibilities for research on some of the problems of our society which have been too long neglected.

The promise of this research grant program can be fulfilled only if we are able to expand our activities and our support well beyond the present level. Of the \$1.9 million requested for this program for fiscal year 1963, \$560,000 is to start new projects, \$458,000 is to continue projects started in fiscal years 1961 and 1962, and \$882,000 is to finance continuation costs after fiscal year 1963. This would permit us to continue to completion about 7 projects started in 1961 and 6 of those started in 1962, and to support about 16 new projects.

APPENDIX

The projects receiving awards made under the research and demonstration grant program of the Social Security Administration are listed below.

Fiscal 1961 awards

Brandeis University, Waltham, Mass.: Impact on families of the denial of public assistance. Project director: David French. Amount of grant: \$24,589.

Bryn Mawr College, Bryn Mawr, Pa.: Attitudes toward dependency among mothers of illegitimate children receiving public assistance. Project director: Jane Kronick. Amount of grant: \$14,949.

Chemung County Council of Community Services, Elmira, N.Y., and State Charities Aid Association, New York, N.Y.: Research demonstrations with dependent multiproblem families. Project director: Roland Warren. Amount of grant: \$34,599.

University of Chicago, Chicago, Ill.: Administrative practices in the organization and use of public assistance personnel. Project director: Edward E. Schwartz. Amount of grant: \$25,908.

Cornell University, Ithaca, N.Y.: Longitudinal study of retirement. Project director: Gordon F. Streib. Amount of grant: \$14,145.

Florida State University, School of Social Welfare, Tallahassee, Fla.: Analysis of unsuitable home cases in aid to dependent children acted upon by Florida State Department of Public Welfare. Project director: Robert T. Lansdale. Amount of grant: \$7,245.

Friends Neighborhood Guild, Philadelphia, Pa.: Demonstration program with families about to be evicted from public low-rent housing. Project director: Mrs. Mildred Webb Guinness. Amount of grant: \$22,133.

University of Georgia, Athens, Ga.: Exploratory study of family problems in an area of rapid social change. Project directors: Raymond Payne and Stanley Fowler. Amount of grant: \$6,000.

Goodrich Social Settlement, Cleveland, Ohio: Exploratory project on methods of changing values among boys in aid to dependent children families. Project director: John W. Cox. Amount of grant: \$90,000.

University of Michigan, Institute for Social Research, Ann Arbor, Mich.: Teenage illegitimacy, individual and community factors. Project directors: Ronald Lippitt and Henry J. Meyer. Amount of grant: \$16,980.

University of Michigan, School of Public Health, Ann Arbor, Mich.: Pilot study of nursing home costs. Project director: Kenton E. Winter. Amount of grant: \$32,729.

University of North Carolina, Chapel Hill, N.C.: Background and social consequences of unwed motherhood. Project director: Charles E. Bowerman. Amount of grant: \$35,765.

Northern Michigan College, Marquette, Mich.: Exploratory study of welfare programs and needs in Upper Peninsula of Michigan. Project director: Jean Pearman. Amount of grant: \$5,000.

North Texas State College, Denton, Tex.: Decisions leading to institutionalization of the aged. Project director: Hiram J. Friedsam. Amount of grant: \$20,060.

University of Notre Dame, Notre Dame, Ind.: Credit union service to low-income groups. Project director: John T. Croteau. Amount of grant: \$19,498.

Syracuse University Youth Development Center, Syracuse, N.Y.: Fatherless families and housing; a study in dependency. Project directors: Irwin Deutscher and Seymour Bellin. Amount of grant: \$43,114.

Fiscal 1962 awards (to date)

Community Council of Greater New York, New York, N.Y.: Unmarried mothers who keep the first out-of-wedlock child. Project director: Mignon Sauber. Amount of grant: \$33,095.

University of Michigan Survey Research Center, Ann Arbor, Mich.: Influence of old-age insurance and private pension plans on spending-saving behavior. Project director: George Katona. Amount of grant: \$48,944.

Menninger Foundation, Topeka, Kans.: Some social aspects of urban renewal. Project director: William Key. Amount of grant: \$35,912.

GRANTS AWARDED

Mrs. MERRIAM. When I appeared before you last year, we had just made the first four grants under our new cooperative research and demonstration grant program, and what I could report to you was still largely our hopes and expectations.

Today we have almost a year of progress behind us, and I can speak with even greater conviction and assurance about the value of this program.

Including the four grants awarded in March which I described last year, we made a total of 16 grants by the end of May 1961, using the \$350,000 available for fiscal 1961. Only one of these 16 projects got underway before June of last year. None of the projects has yet run for a full year, and most of them have been in full operation for only about 6 months. However, as of February 1, the 11 projects which were planned to continue beyond 1 year have given us a report of progress and an indication of what they expect to do in the second year.

As you know, the statute authorizing this grant program names three specific areas to illustrate the kinds of problems with which the programs should be concerned. They are "the prevention and reduction of dependency," "the coordination of planning between private and public welfare agencies," and improvement in "the administration and effectiveness of programs carried on or assisted under the Social Security Act and programs related thereto."

PROBLEM OF DEPENDENCY

The problem of dependency has many aspects. While we are certainly not yet in a position to support a broad or concerted attack on the basic questions that should be explored, I believe that we have made a significant beginning.

We decided at the outset to give some priority to research and demonstration projects relating to the problem of illegitimacy, and are now supporting four projects in this critical area. We have begun to support some research on what differentiates families just above the assistance level from those receiving assistance. This may be a group for whom preventive services could be particularly effective. Family disorganization is a matter of direct concern and also of importance in any analysis of the causes of dependency. Two small studies and one larger project that are receiving support under

our program are concerned with problems of family life. We are now supporting three studies in the field of aging and a fourth will get underway soon as a result of a grant awarded in January.

RESEARCH DEMONSTRATION PROJECTS

We are supporting four research demonstration projects of great potential significance. All of them are testing the effectiveness of particular kinds of family or community services in preventing or reducing dependency. Finally, we have supported an exploratory project to devise methods of evaluating the effectiveness of different administrative practices and different ways of using more and less skilled personnel in public welfare agencies.

In summary, it is clear that this program is beginning to fill what has been a serious gap in our total research effort in this country. Grant programs in the fields of mental health, education, vocational rehabilitation, housing, urban renewal, area redevelopment, and juvenile delinquency all have some bearing on the prevention and reduction of dependency. No other research grant programs, however, has this as a main focus, and consequently many significant areas of research have lacked support. We are working closely with the other agencies that administer related grant programs and are beginning to develop methods of combining our efforts with theirs to make possible more broadly based projects than might be supported by any one of the programs alone.

GENERAL EXPANSION OF SOCIAL RESEARCH

We can already see a response to our program in the expansion of research efforts on the part of public and private agencies in the welfare field. A number of public or private welfare agencies are beginning to expand their research staffs so that they can be in a better position to help formulate the questions that are most in need of study and experimentation. At the same time, the scholars and social scientists in universities throughout the country are also becoming more aware of the possibilities for research on some of the problems of our society which have been too long neglected.

The promise of the social security research grant program can be fulfilled only if we are able to expand our activities and our support well beyond the present level. Of the \$1.9 million requested for this program for fiscal year 1963, \$560,000 is to start new projects, \$458,000 is to continue projects started in fiscal year 1961 and 1962, and \$882,000 is to finance continuation costs after fiscal year 1963. This would permit us to continue to completion about 7 projects started in 1961 and 6 of those started in 1962, and to support about 16 new projects.

We also have, Mr. Chairman, a chart which you might find of some interest. There are 19 projects, 16 out of last year's funds. We have already made three grants this fiscal year. At the end of the week, we will be reviewing 25 more new applications and 11 continuations.

Obviously, one can group projects in a variety of ways. What we have done here is to indicate both how they fit under the three areas cited in the statute and how they are classified by subject matter.

RESEARCH RELATING TO AGING

Mr. FOGARTY. You have three projects on the subject of aging?

Mrs. MERRIAM. That is right. Also, the one shown under "Medical services and costs" could just as well have been classified as a project on aging.

Mr. FOGARTY. Are these 1-year studies or 2?

Mrs. MERRIAM. No, most of these will continue for 2 or 3 years. There are a few of these which are 1-year studies, but—for instance, the first one, the Bryn Mawr study, because a considerable amount had been done on that, will be completed in a year. Most of them will be going on 2 or 3 years.

MENNINGER FOUNDATION RESEARCH PROJECT

Mr. FOGARTY. What kind of project is that at the Menninger Foundation?

Mrs. MERRIAM. This is a tremendously interesting one. This is a new grant.

Mr. FOGARTY. This has something to do with mental health?

Mrs. MERRIAM. Not as such, no. The Menninger Foundation is getting interested also in social problems, and in Topeka it happens that there are two groups of families being displaced at the present time. One as a result of an urban renewal project, where the urban renewal agency is helping the people find a new place to live. The other is a Highway 70 project, with almost a similar group of people who are getting no help. This is an ideal comparison group.

Mr. FOGARTY. What kind of group? Is it low income or colored or what?

Mrs. MERRIAM. The group that is being moved, they are relatively low-income. I have forgotten what ethnic groups are involved. I think it is some Negro and some others but I have forgotten which ones.

What is happening in this case, the Menninger Foundation asked us for funds to help support this study. They are doing an analysis of the characteristics of both groups of people who are being moved. They are following them over 3 years and studying the effects of the services the one group gets on their adjustment, did it help or didn't it?

The foundation is now applying to the NIMH for a companion grant which will permit them to give psychiatric service to those among the group who appear to need it. Now, the value of our study does not depend on this additional grant from NIMH. NIMH has not yet discussed it. But this is one of those cases where the two work together.

Mr. FOGARTY. Most of the time we find that they have a difficult time getting a place to live.

Mrs. MERRIAM. Right. Some of them will get into public housing but others will not. We actually have been doing quite a bit of work with the Housing and Home Finance Agency, both in connection with urban renewal and other types of housing projects in which the question of services for housing applicants is important. We are trying to work together on this, pool our resources.

Mr. FOGARTY. The whole reason for this is trying to find a way to help prevent dependency?

Mrs. MERRIAM. Right, to learn more about how to do that.

HISTORY OF APPROPRIATIONS

Mr. FOGARTY. You asked for this three or four times, and the first time I think it was in with the training program. This committee approved the first request in 1958, but it was deleted by the full committee. Then again it was tried in 1960, and was not approved. In 1961 you asked for \$700,000 and received \$350,000. The appropriation of 1962 is \$700,000, and the request for 1963 is \$1,900,000.

RESERVE

You have a reserve of \$75,000 against the 1962 appropriation, and the 1963 request includes \$882,000 to finance costs after 1963. So actually, the plan is to obligate \$625,000 in 1962 and \$1,018,000 in 1963.

Mr. WYNKOOP. Correct.

Mr. FOGARTY. What effect will the reserve of \$75,000 have?

Mr. WYNKOOP. It required us to eliminate two projects.

Mr. FOGARTY. Are they good ones?

Mrs. MERRIAM. Let me put this in a different way. I cannot anticipate now just exactly what our advisory panel will recommend, but they meet this Friday and Saturday. On the basis of the reviews and recommendations of experts who have already been over this project, I have just been doing a tally here, what the advisory panel will say, and I suspect that they may recommend approval for projects which will run \$200,000, \$250,000 beyond what we have available this year.

Mr. FOGARTY. You are talking about 1962?

Mrs. MERRIAM. That's right.

Mr. FOGARTY. They are all good projects?

Mrs. MERRIAM. I hope they do not recommend approval of any that are not.

Mr. FOGARTY. Have they yet?

Mrs. MERRIAM. No.

Mr. FOGARTY. About how many applications does that amount to?

Mrs. MERRIAM. How many over what we have? Around 10 or 12, depending on the priority given large or small studies. The actual amount of money for some of them is as little as \$12,000, some up to as high as \$150,000.

FINANCING RESEARCH APPLICATIONS IN 1963

Mr. FOGARTY. What percentage of the applications do you expect to finance next year, including whatever carryover from 1962 will you be unable to finance?

Mrs. MERRIAM. It is a little difficult at this point to know how many applications we will have next year. As I said, it looks to me as though there will be at least 10 or 12 that we will carry over, that will be a first claim on our next year's budget. Now, we know that there are already a good many agencies throughout the country who have talked to us about projects that they would like to submit. We never know how

long will really elapse from the time somebody has a good idea and the time he is able to get a project underway.

But I would say that we would have as many projects next year as we had this year, which would be a total of about 40 new projects.

Mr. FOGARTY. How much in dollars does that amount to?

Mrs. MERRIAM. Well, the total this year, the requests for new projects—this is not counting the continuation ones—it was about \$550,000.

Mr. WYNKOOP. Mr. Chairman, we asked the Department for \$1,220,000, which represented our best judgment at that particular time as to how much we could spend in 1963.

Mr. FOGARTY. You have \$1,018,000?

Mr. WYNKOOP. Yes.

Mrs. MERRIAM. That included the continuation.

Mr. KELLY. We haven't developed the ability to develop these estimates with this project yet to do what we have been doing with the National Institutes of Health because we just have not had enough experience.

APPLICATION APPROVAL SYSTEM

Mr. FOGARTY. What is the approval system used for applications you receive?

Mrs. MERRIAM. We send all of the applications to experts in the field for a review. You can see by looking at this list of the kinds of applications that we have approved that they cover a very large variety of fields and of types of expertness.

Mr. FOGARTY. How were these experts chosen?

Mrs. MERRIAM. They are chosen by the staff who will say, here is something on illegitimacy, where is the real expert on that subject, and so on. Here is an economic study of aging.

Mr. FOGARTY. One expert?

Mrs. MERRIAM. No, usually at least four or five experts for each project, representing different points of view if possible, and different kinds of background. They write in.

Mr. FOGARTY. Is it hard to find four or five experts on aging?

Mrs. MERRIAM. Not in aging.

Mr. FOGARTY. I did not know we had so many experts in the field of aging.

Mrs. MERRIAM. Then we assemble all this material. We also get staff comments, that is, the Bureau of Family Services, the Children's Bureau, and the Bureau of OASI, are asked to give comments on what they think the value of this is to their programs. This is a little different than whether it is a technically sound project. All of these comments are brought together and are reviewed by an advisory panel.

Mr. FOGARTY. Suppose you sent a project on aging to five people and three turned it down?

Mrs. MERRIAM. And two say that it is good?

Mr. FOGARTY. Is the application dropped then?

Mrs. MERRIAM. No, every one of the projects, the whole 50 that we have this year, plus the comments of all the experts, go before an advisory board, which meets and discusses. This advisory panel at present, has as its chairman, Mr. Paul Webbirk, the vice president of the Social Science Research Council. The panel now consists of six people. They discuss the project, their own views on it.

Mr. FOGARTY. Even if it is turned down?

Mrs. MERRIAM. No, they are the ones who recommend. Usually the experts who write in will say, "on the one hand, but on the other hand." Sometimes they will say, "don't do this or don't do that." Usually they say it has advantages and disadvantages. And the advisory panel then, on the basis of this information, makes a recommendation to the Commissioner, as to whether or not to support it.

Mr. FOGARTY. Will you supply for the record the names and positions of this advisory panel?

Mrs. MERRIAM. Yes.

(The requested information follows:)

The first advisory panel which was appointed in the spring of 1961 and came together in May, included the following members:

Paul Webbink, vice president of the Social Science Research Council, chairman.
Angus Campbell, director of the Survey Research Center, University of Michigan.

George Hildebrand of the School of Industrial Relations, Cornell University.

Wayne Holtzman, associate director of the Hogg Foundation for Mental Health, University of Texas.

Otto Pollak, professor of sociology of the University of Pennsylvania.

William B. Tollen, commissioner of public assistance of the State of Pennsylvania.

PROGRAM RESULTS

Mr. FOGARTY. This is the second year of the program. Do you have any results to report?

Mrs. MERRIAM. As I said, for most of the studies, the money was not given out until June of last year. Most of the studies have just gotten underway. I can say, I have just reviewed the 11 progress reports we have and I am impressed at what has been going on in these studies.

For instance, in the University of North Carolina, which is doing one of the studies of illegitimacy, they have done something that they hadn't anticipated, they have succeeded in getting the cooperation of some community groups and some medical groups there.

Mr. FOGARTY. Is this the public health group?

Mrs. MERRIAM. No, this is a social research institute, the University of North Carolina, but they are working with the State welfare department and the State health department. Every one of the studies has made considerable progress.

Mr. FOGARTY. Give me just one or two examples of what you think are real good projects.

Mrs. MERRIAM. Well, let me select two. One, I would say the University of Michigan study of teenage illegitimacy is uncovering a variety of information about some of the factors which lie behind it. This is a research study by a group of sociologists and psychologists and social work people working together to try to find what it is, and the relations with family, the relation to school, and relations with community that seemed to be behind teenage illegitimacy. I think when this study is completed, in about a year and a half from now, we will have some new understandings on the basis of which we can develop various programs much more confidently than we could otherwise.

Then let me take as a second one, a demonstration project. This first one was strictly a research project. Chemung County, N.Y., has a

demonstration project for services to dependent multiproblem families in which they are working with the public welfare agency very closely. The applicant for a grant in many cases may be a voluntary agency of a university which works closely with a public welfare agency.

In the case of Chemung, there is an unusually good relationship between the public welfare agency and this voluntary agency, and as a matter of fact, other agencies in the community, in which they are testing out in a much more careful manner than is usually done, the effect of giving certain kinds of services to families who have been on relief or have been known to welfare agencies for many, many years, to see whether they can possibly move them off.

In the present study they are using trained social workers. They have talked with me about their hope to do the same kind of thing with untrained workers to see what it is you can and cannot do with untrained workers in this area.

Mr. FOGARTY. Is there anything else you would like to say?

Mrs. MERRIAM. Not unless you have questions.

Mr. FOGARTY. Thank you very much, Mrs. Merriam.

INTERNATIONAL SOCIAL SECURITY ASSOCIATION MEETING

WITNESSES

WILLIAM L. MITCHELL, COMMISSIONER

JOSEPH H. MEYERS, DEPUTY COMMISSIONER

ROY L. WYNKOOP, ADMINISTRATIVE OFFICER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation.....			3
25 Other services.....			8
Total obligations.....			11

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....			1
Number of employees at end of year.....			1
Average GS grade.....			11.0
Average GS salary.....			\$7,571

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
Plan the meeting (total program costs)			3
Change in selected resources			8
Total obligations			11
Financing: Unobligated balance carried forward			89
New obligational authority (appropriation)			100

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1962, none; 1963, \$8,000.

GENERAL STATEMENT

Mr. FOGARTY. Mr. Mitchell, you are going to tell us about the international meeting?

Mr. MITCHELL. Yes, sir. This is a very brief statement.

Mr. FOGARTY. We will put the statement in the record.

Mr. MITCHELL. All right.

(The statement referred to is as follows:)

INTERNATIONAL SOCIAL SECURITY ASSOCIATION MEETING

As this committee knows, the Social Security Administration has been an active member of the International Social Security Association for several years. Preliminary planning for the next general meeting of the Association to be held in calendar year 1964 is now underway. An appropriation of \$100,000 is requested in order that we may be in a position to invite the Association to hold this meeting in the United States.

While the meeting will not be held until 1964, funds are requested at this time in order that a definite commitment may be made for U.S. sponsorship and to permit leadtime in planning for the meeting.

The International Social Security Association is an important international association of social security organizations representing 78 countries with 180 member institutions covering about 350 million insured persons. Headquarters of the Association are in Geneva, Switzerland. The Social Security Administration became a member of the Association in 1957 and is represented on several of the Association's technical committees. The Commissioner of Social Security serves on the executive body of the Association.

The general conference of the Association is known as the general meeting. It meets every 3 years. In the past 10 years it has met in the following countries:

1951	Vienna, Austria.
1953	Paris, France.
1955	Mexico City, Mexico.
1958	London, England.
1961	Istanbul, Turkey.

The U.S.S.R. has already invited the Association to meet in Moscow in 1967. Our plan to invite the Association to meet in Washington in 1964 has the enthusiastic endorsement of the State Department which has offered its conference staff, meeting rooms, and other facilities for use in assuring the success of the conference.

Estimates developed in consultation with the Department of State indicate that the meeting will cost approximately \$100,000, which would cover such items usual to the conduct of a meeting of this size and importance. Interpretation service and reproduction of materials in five languages will be necessary. A small part-time staff will work on program planning and preconference arrangements. Since this is essentially a working conference, entertainment will be held to a minimum consistent with discharge of our obligations as a courteous host. On the basis of advice we have received from other agencies experienced in holding meetings of this kind, we believe our estimate is very conservative.

It is believed that the United States would benefit in many ways from the holding of this meeting in Washington. In addition to serving as a forum for the exchange and discussion of technical information regarding the development and administration of social security programs, the conference may be expected to contribute importantly to international good will and to the identification of our country's leadership in social action looking toward the well-being of people everywhere. It is estimated that approximately 500 delegates—many of them accompanied by their wives—would attend, so that total attendance would approximate 1,000 persons.

Mr. MITCHELL. If you have any questions, I would be happy to answer them.

1963 BUDGET REQUEST

Mr. FOGARTY. The request is for \$100,000?

Mr. MITCHELL. Yes, sir.

Mr. FOGARTY. Is this intended to cover the full cost or will you be back next year for more funds?

Mr. MITCHELL. No, sir; the meeting will not be for 3 years, but funds ought to be available for planning and preparation.

Mr. FOGARTY. This is for a period of 2 years, \$100,000 for 2 years?

Mr. MITCHELL. Three years. The meeting will be held in 1964.

Mr. FOGARTY. Where?

Mr. MITCHELL. Here in Washington.

APPROPRIATION AUTHORITY

Mr. FOGARTY. What is the authority for this appropriation?

Mr. MITCHELL. The authority for engaging in all international activities, section 702 of the Social Security Act, which directs the Social Security Administration to investigate and report upon all matters that would have to do with the improvement of the economic status of American citizens. That language is sufficiently broad to encompass all types of activities that will enable us to increase our intelligence about the social welfare problems.

Mr. FOGARTY. The language, I have been told, contains about six legislative provisions.

Mr. WYNKOOP. There is no question, Mr. Chairman, but what the authority—

Mr. FOGARTY. If this is all deleted, what effect would it have on your plans?

Mr. WYNKOOP. The total language? Well, two of the items that are subject to a point of order have to do with the employment of personnel, and for official reception and presentation, \$14,000. I think if those were taken out, it would ruin us. I just don't see how we could conduct a meeting of this kind without this type of authority.

Mr. FOGARTY. Is that not that subject to a point of order?

Mr. WYNKOOP. Yes, sir; I think some of these items are. The basic item of holding the meeting is not subject to a point of order.

Mr. FOGARTY. I think you do need the funds for receptions. If you are going to have an international meeting, you ought to do it right.

Mr. WYNKOOP. We also have to hire interpreters.

Mr. FOGARTY. You do not have a leg to stand on if somebody raises a point of order on the floor; it just goes out.

Mr. WYNKOOP. But I understand this is customary language in other appropriations that have been made for this purpose.

Mr. FOGARTY. Supply for the record a good explanation of the six provisions. In case somebody does raise the point, we should have a good explanation of each.

(The requested information follows:)

STATEMENT OF INTERNATIONAL SOCIAL SECURITY MEETING

The Department of Health, Education, and Welfare, Social Security Administration, has been approached to act as host for the general meeting of the International Social Security Association (ISSA), to be held in Washington, D.C., in the fall of 1964. An appropriation of \$100,000 for fiscal year 1963 (with an authorization through fiscal year 1965) is being requested to cover the costs of this meeting. Legislative authority for this appropriation request is section 702 of the Social Security Act, as amended.

(The statement with respect to the items of special interest to the committee follows:)

Employment of Persons without regard to civil service regulations and the provisions of the Classification Act

The positions to be filled will all be temporary and of short duration (6 months or less); the positions will call for combinations of work skills and language fluency which are not readily available, and the skills needed may change during the short period involved, necessitating immediate changes in the staff. The problem involved in locating fully qualified people and then getting them to take these short-term positions are such that the necessity for compliance with civil service regulations and the Classification Act might well make filling the positions impossible.

Employment of aliens

The multilingual nature of this conference requires special language abilities in the staff positions. For example, the use of United Nations interpreters is contemplated to assure accurate reporting of conference affairs. Since the availability of American citizens with the necessary language abilities is conjectural, restricting hiring to American citizens only could be a serious handicap in carrying out the conference activities effectively.

Hire of passenger motor vehicles

In addition to the rental of motor vehicles from GSA interagency pool and services of drivers, funds are requested to hire passenger motor vehicles in cases where GSA is unable to furnish cars and drivers. The ISSA meeting will be held during a regular workweek and the only cars available will be the excess cars over and above the U.S. Departments' regular requirements for transportation. Funds to charter buses or other motor vehicles to transport delegates and key foreign officials to observe social security activities, particularly the old-age and survivors insurance in Baltimore. It is important to keep delegates speaking the same language in a group due to the limited number of interpreters. Also included in the estimate is chartering buses to transport delegates between hotels and place of meeting.

Printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111)

The funds requested for printing and binding will not only cover the work to be requested from GPO but also the work that will need to be completed at the meeting and during the meeting. There will be last minute speeches to be duplicated in several languages prior to the meeting, last minute changes in program material, reports and technical papers to be presented at the meeting, and informational material. This request includes funds for contracts with firms for the typing of duplicating plates of the above material in languages other than English or standard type, for instance Japanese script and Russian characters. These reports, speeches, and technical papers may be requested for use within 24 hours, and if GPO cannot complete this work, funds are requested to cover such contracts.

Rents in the District of Columbia and elsewhere

It is assumed that space will be furnished by the Department of State for the meeting. However, due to the uncertainty of the availability of Department of State facilities, it may be necessary to rent conference rooms, and other offices for the secretariat and staff from Geneva.

Official reception and representation

Funds are requested for an official reception for official delegates to the ISSA meeting, a buffet dinner for the Executive Committee, special luncheons for other groups and committees, speakers and other delegates, refreshments during the conference and other official functions. These funds are requested to extend courtesies to representatives of other governments, since official delegates are usually members of Cabinet rank or high-level government officials. Funds are also included for activities and special functions for wives of delegates.

Mr. MITCHELL. We were advised on this language by the State Department. They have had a lot of experience in international meetings.

Mr. FOGARTY. I don't know of any department in Government that is more expert in complicating matters.

EXAMPLES OF APPROPRIATIONS FOR SIMILAR MEETINGS

Now, can you give us a couple of examples of other appropriations that have been made for similar meetings?

Mr. WYNKOOP. One recently, the Army Corps of Engineers and the Coast Guard were appropriated funds by Congress to hold international conferences. The first of these conferences was the 20th Navigation Conference of the Permanent International Association of Navigation Conferences, which was held in Baltimore in September 1961.

The second was the International Technical Conference on Lighthouses and Other Aids to Navigation, held in September 1960 by the U.S. Coast Guard.

Mr. FOGARTY. Do you have any others?

Mr. WYNKOOP. Those are the only two that I have.

Mr. FOGARTY. All right. Is there anything else, Mr. Mitchell?

Mr. MITCHELL. No, sir, except to express again my very strong endorsement of it.

Mr. FOGARTY. I think it is a good idea, myself.

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

WITNESSES

WILLIAM L. MITCHELL, COMMISSIONER

JOSEPH H. MEYERS, DEPUTY COMMISSIONER

DR. KATHERINE BAIN, DEPUTY CHIEF, CHILDREN'S BUREAU

ROY L. WYNKOOP, ADMINISTRATIVE OFFICER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
21 Travel and transportation of persons.....		8	25
41 Grants, subsidies, and contributions.....		802	2,392
Total obligations.....		810	2,417

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Maternal and child health.....		500	1,525
2. Medical care for the aged.....		7	50
3. Social welfare.....		303	842
Total program costs—obligations.....		810	2,417
Financing:			
Unobligated balance brought forward.....			-797
Unobligated balance carried forward.....		797	180
New obligational authority (appropriation).....		1,607	1,800

GENERAL STATEMENT

Mr. FOGARTY. Do you have a statement on this program?

Mr. MITCHELL. Would you like also to have this inserted in the record?

Mr. FOGARTY. We will put it in the record.

(The statement referred to is as follows:)

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

For fiscal 1963 the Social Security Administration is requesting that \$1,800,000 be appropriated to be used for studies and research in countries where there are currencies excess of the normal requirements of the United States. All projects are in areas for which the Social Security Administration has statutory responsibility. For fiscal year 1962, \$1,607,000 was appropriated for this program. Major fields of research for which funds are requested would include: (1) Maternal and child health, \$1,142,400; (2) medical care of the aged, \$50,000; and (3) social welfare, \$607,600. Projects have been planned to take advantage of research institutions and staff whose experience offers assurance of appropriate research methods.

In the field of maternal and child health, two projects exemplify the value of such research to the United States. (1) Studies in Indonesia of soybean substitutes for milk would be of help to investigators concerned with finding substitutes for the feeding of children who are allergic to milk. (2) Countries such as India offer opportunity to study the role of protein deprivation on

toxemia on a scale not possible in the United States where toxemia of pregnancy is a major cause of maternal mortality.

In the field of medical care for the aged, Israel has developed rehabilitation programs and service for older people which could reduce or delay need for expensive institutional care. Such research would be of special benefit to the Social Security Administration.

In the field of social welfare, research in selected foreign countries relating to problems of urbanization, community development, juvenile delinquency, strengthening of family life, as well as administration of social security systems and credit cooperatives would be of special value at this time.

I shall be happy to answer any questions you may have on this program.

OPENING STATEMENT BY COMMISSIONER OF SOCIAL SECURITY ON RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

The Agricultural Trade Development and Assistance Act of 1954, Public Law 480, as amended, provides that foreign currencies derived from the sale of surplus agricultural commodities may be used for the conduct of studies and research in certain foreign countries. For fiscal year 1962, the first year we have had funds for this program, we have an appropriation of \$1,607,000. Response of countries to this program in the first year has been good. The proposals for study developed by health and welfare experts of ministries and universities in the countries eligible for grants have already demonstrated their keen interest in identifying causes of social problems and more effective ways of providing services. The interest in research studies is strong. From one country, Israel, eight projects in maternal and child health and six in social welfare, including juvenile delinquency and social security, are under consideration. From two other countries, Pakistan and Egypt, five projects in maternal and child health and six in social welfare are in process of preparation.

For fiscal year 1963, the Social Security Administration is requesting that \$1,800,000 be appropriated to finance projects which would be of material benefit to the United States as well as of international value and benefit. Research would be conducted in countries where there are currencies in excess of the normal requirements of the United States. All projects are in areas for which the Social Security Administration has statutory responsibility. Funds requested cover financing for the full life of the projects, some of which would extend over several years. Specific areas of research and amounts requested therefor are listed below.

1. *Maternal and child health.*—A total of \$1,142,400 is requested for this activity. The funds requested for fiscal year 1963 are to finance research in fields of special interest to the United States. For example, we would propose a project in Indonesia which offers excellent possibilities for a comparative study of the rate of growth over periods of time in groups of infants and young children receiving soybean substitutes for milk. Such research would be of great help to those in the United States concerned with finding adequate substitutes for the feeding of children who are allergic to milk.

Another example is a project we would propose in India. In the field of maternal health, toxemia of pregnancy is the major cause of maternal mortality in the United States. Low protein in the diet is regarded by many as the cause. Countries such as India offer opportunity to study the role of protein deprivation on toxemia on a scale not possible in the United States.

2. *Medical care of the aged.*—A total of \$50,000 is requested for this activity for fiscal 1963. This will enable the Social Security Administration to initiate research in communitywide services for older persons. Countries such as Israel have developed new types of rehabilitation programs and services directed toward helping older people stay in their own homes, thereby reducing or delaying the need for expensive institutional care. This research would be of special benefit to the Bureau of Family Services and the Bureau of Old-Age and Survivors Insurance of the Social Security Administration at a time when new programs of medical assistance to the aged, established by 1960 amendments to the Social Security Act, are getting underway.

3. *Social welfare.*—A total of \$607,600 is requested for this activity. Response to initiation of this activity in 1962 has been favorable. Research proposed would include studies in the fields of urban social welfare, community development, rural child welfare, programs to strengthen family life, social security

systems, and credit cooperatives. The amount requested is the same as that appropriated for fiscal 1962. The abnormal growth in urban areas in some countries has brought development of a wide variety of group and individual services to deal with multiproblem families, social services to assist working mothers and care for their children. Cooperative research projects to analyze and evaluate such services, particularly as they contribute to welfare of the families and greater opportunity for the children, would be of value to the United States.

In the field of social security, analytical studies would be undertaken of the program administration and organization of social security systems in such countries as Burma, India, and Indonesia. Administrative methods and techniques for collecting evidence of and evaluating disability would be covered.

In the field of juvenile delinquency, studies beginning in Israel in 1962 would be extended to other countries, emphasizing methods used in the prevention of delinquency and handling of first offenders.

During a period of renewed interest in the United States in the prevention of dependency and rehabilitation of dependents, the United States expects to benefit from studies of programs developed by other countries to raise the levels of living of families. Such studies would be carried out in countries such as Israel, India, and Egypt which have research institutes and staff experienced in appropriate research methods.

In the field of credit cooperatives, research is needed in ways of organizing and managing cooperatives and educating members, particularly among the lower income groups. It is proposed to study credit cooperatives in such countries as Burma, Egypt, and Israel. Research would encompass methods of organization, control, management, financing, development, and member education.

BUDGET SUMMARY

Mr. FOGARTY. The appropriation for 1962 is \$1,607,000 and the request for 1963 is \$1,800,000. Due to delays in getting the program started, actual obligations are estimated at \$810,000 in 1962 and \$2,417,000 for 1963. Is that correct?

Mr. MITCHELL. That is correct.

Mr. FOGARTY. Because the program was late in getting started, your actual obligations for 1962 amounted to \$810,000.

Mr. WYNKOOP. That is one of the factors, Mr. Chairman, but the other factor is that we have to provide for full funding.

PROJECT IN OPERATION

Mr. FOGARTY. How many projects are actually in operation as of now?

Mr. WYNKOOP. There are none, Mr. Chairman, that have been fully financed and approved. We sent out invitations to the embassies in August and September, and we have now received a substantial number of applications for projects. We have had the technical staff in consultation with a number of countries about these projects, but as of today, no projects have been approved. We have had no previous experience in this field, and it is a bit time consuming getting the show on the road.

Mr. FOGARTY. You think you are going to get this show on the road?

Mr. WYNKOOP. Yes, we do. We hope to have a number of projects approved to the extent indicated here before the end of this fiscal year.

Mr. FOGARTY. Do you have any projects planned for 1963?

Mr. WYNKOOP. No specific projects, although we can give illustrative examples of some we would like to undertake.

MEDICAL CARE FOR AGED IN YUGOSLAVIA AND ISRAEL

Mr. FOGARTY. What about the study of medical care for the aged program in Yugoslavia and Israel?

Mr. MITCHELL. Well, I was in Yugoslavia, and there are difficulties in getting that one off the ground. The Government there is concerned about devoting dinars to this activity in addition to the appropriation already available to agencies that would do the work. If these were dollars, they would be very enthusiastic about proceeding, but they don't see this as adding to the available funds that they have there.

Mr. FOGARTY. What about Israel?

Dr. BAIN. I might say, I am just back about 2 weeks ago from Poland. I was in Europe for another reason and went over there. I was very warmly received and found great interest in some of the things that we would find interesting. They want to do some study on toxemia in pregnancy, premature infants. There are a whole variety of things.

Actually, if they come through with the ideas they have, some of these projects will have to go over into the next year; we will not have sufficient funds.

VALUE OF FOREIGN RESEARCH

Mr. FOGARTY. Are they doing anything in this area that is of interest to this country?

Dr. BAIN. I think we are all interested in this.

We have a great deal of congenital hip problems in this country. We would be interested in studies in that area.

The same thing is true of toxemia.

Mr. FOGARTY. You think they do it better there?

Dr. BAIN. Well, they will have more toxemia than we do and can thus study it more extensively.

Mr. FOGARTY. What results of value do you expect to get from studying the social security systems of Burma, India, and Indonesia?

Mr. MITCHELL. Well, of course we are substantially further advanced in the social security field than they are, and I would be something less than frank if I didn't indicate that they are the ones that will benefit the most.

Mr. FOGARTY. What countries are further advanced than we are?

Mr. MITCHELL. I don't think any country is.

Mr. FOGARTY. England or Sweden?

Mr. MITCHELL. No, it would be a matter of criteria.

Mr. FOGARTY. I thought in some Scandinavian countries they might be ahead of us.

Mr. MITCHELL. I don't think there is any country in the world, certainly none that surpasses us and very few that would be equal to our social insurance program.

Mr. FOGARTY. You are planning to study credit cooperatives in Burma and Yugoslavia. Will this be of value to us?

Mr. MITCHELL. We think so. Again, I think that the primary weight of relationship is in favor of the foreign country, but we have still plenty to learn in the field of cooperatives, and some countries are ahead of us across the board.

CREDIT UNIONS

In the matter of credit cooperatives, I think we are probably further advanced than most countries we would be dealing with. But there are studies that can be made in those countries that will provide information not only valuable to them but to us.

Incidentally, quite apart from this——

Mr. FOGARTY. What about credit unions?

Mr. MITCHELL. I am using the term interchangeably. These are people banding together, using their own money for these purposes, and these are sometimes referred to as cooperatives.

Mr. FOGARTY. You mentioned in your opening statement this morning, something about credit unions.

Mr. MITCHELL. Yes, sir.

Mr. FOGARTY. Are they working out all right? There was criticism a few years back from some of the banks that they were not as careful as they should be regarding their loans. I have not heard much criticism lately, but I did 8 or 9 years ago.

Mr. MITCHELL. Banking and financial organizations generally cast a somewhat fishy eye on credit unions because they feel that they are growing in competition for loans to low income people. The banks, you know, have extended their services in this respect. The credit unions are tax free and have certain other advantages that the banks feel give them preferential treatment since they claim that they are in competition.

Mr. FOGARTY. We have that problem between the commercial banks and the savings and loan institutions now.

Mr. MITCHELL. Yes; that is right.

Mr. FOGARTY. But have the credit unions by and large turned out to be fairly substantial?

Mr. MITCHELL. Oh, yes. There are a great many of them that have achieved real size and that is a matter of concern to me. As a matter of fact, I think the larger they are the more they tend to become banking institutions and forget the services they were really established to render to people of low income, and who otherwise would be thrown into the high interest moneylenders for their credit needs.

Mr. FOGARTY. There is also a tendency on the part of the banks to merge which cuts down competition. There are not many small banks like there used to be. Of course, many of these mergers I think are designed to provide them with an opportunity to loan in larger amounts on a broader base. But some places, if you go to one bank and are turned down, you might as well go to another State.

Mr. MITCHELL. Yes.

Mr. FOGARTY. That is where the credit unions are supposed to help the little fellow.

Mr. MITCHELL. That is right. And they are supposed to make loans.

Mr. FOGARTY. They are supposed to know the person a little better, too.

Mr. MITCHELL. That is right. They are supposed to make loans in situations where there is real difficulty and where there is not an absolute guarantee of return of the funds. But regardless of that, the credit unions have a lower loss ratio than most well established financial institutions.

And moreover, there has not been a shock loss situation in a Federal credit union now for about 3 years.

SALARIES OF CREDIT UNION PERSONNEL

Mr. FOGARTY. Do the credit unions pay a little bit better than the commercial banks?

Mr. MITCHELL. You mean the people employed by the credit union?

Mr. FOGARTY. Yes. How do they compare with the banks?

Mr. MITCHELL. I can speak with respect to those around here, and they pay Government rates because they attract the same sort of personnel.

Mr. FOGARTY. Is that any better than the bank teller downtown?

Mr. MITCHELL. Well, at least as good. I think there is a very considerable range throughout the country. Of course, you know most of the work is done by volunteers, shareholders.

FINANCIAL AUDITS OF CREDIT UNIONS

Mr. FOGARTY. They have their own investigators, too, do they not?

Mr. MITCHELL. Yes. We undertake to examine every credit union once a year.

Mr. FOGARTY. Is that just Federal credit unions?

Mr. MITCHELL. Yes.

Mr. FOGARTY. You do not have anything to do with the State?

Mr. MITCHELL. No, although we cooperate with the States.

Mr. FOGARTY. And are you able to get into every Federal credit union once a year?

Mr. MITCHELL. About 92-93 percent of them.

Mr. FOGARTY. That is considered pretty good.

Mr. MITCHELL. Oh, yes.

SALARIES AND EXPENSES, OFFICE OF THE COMMISSIONER

WITNESSES

WILLIAM L. MITCHELL, COMMISSIONER
JOSEPH H. MEYERS, DEPUTY COMMISSIONER
ROY L. WYNKOOP, ADMINISTRATIVE OFFICER
JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	552	709	903
Positions other than permanent.....		3	3
Other personnel compensation.....	2		
Total personnel compensation.....	554	712	906
12 Personnel benefits.....	39	50	64
21 Travel and transportation of persons.....	13	19	29
23 Rent, communications, and utilities.....	9	13	26
24 Printing and reproduction.....	17	25	34
25 Other services.....	8	35	38
26 Supplies and materials.....	9	12	15
31 Equipment.....	10	12	17
Total obligations.....	659	878	1,129

Personnel summary

	1961 annual	1962 estimate	1963 estimate
Total number of permanent positions.....	66	90	113
Average number of all employees.....	62	81	104
Number of employees at end of year.....	65	90	113
Average GS grade.....	9.9	9.8	9.9
Average GS salary.....	\$8,663	\$8,610	\$8,601

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Direction and coordination of the social security program.....	318	347	406
2. Appraisal and development of the social security program.....	342	477	659
3. Administration of cooperative research program.....		54	64
Total program costs.....	660	878	1,129
Change in selected resources ¹	-1		
Total obligations.....	659	878	1,129
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts): Federal old-age and survivors insurance trust fund—limitation.....	-296	-322	-418
Unobligated balance lapsing.....	10	34	
New obligational authority (appropriation).....	373	590	711

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, -\$13,000 (1961 adjustments, -\$3,000); 1961, \$10,000; 1962, \$10,000; 1963, \$10,000.

GENERAL STATEMENT

Mr. FOGARTY. We will place your prepared statement on salaries and expenses in the record.

(The statement follows:)

STATEMENT BY COMMISSIONER OF SOCIAL SECURITY ON SALARIES AND EXPENSES,
OFFICE OF COMMISSIONER OF SOCIAL SECURITY

The Commissioner is responsible to the Secretary for the overall direction and coordination of the programs and operations of the Social Security Bureaus. The functions of these Bureaus encompass grant-in-aid administration of the public assistance and maternal and child welfare programs with their inherent problems of Federal-State relations, as well as direct program administration such as the Bureau of Old-Age and Survivors Insurance and the Bureau of Federal Credit Unions.

To assist in carrying out these responsibilities, the staff of the Office of the Commissioner is engaged principally in—

1. Formulating regulations, policies, and procedures for program and administrative guidance and execution.
2. Broad planning in the social insurance and welfare areas.
3. Compiling, studying, and analyzing information in areas pertaining to social security such as public and private retirement plans, public and private welfare expenditures, independent medical care plans, and medical care costs.

1962 AND 1963 WORK EMPHASIS

The Office of the Commissioner must of necessity devote very considerable time and attention to the implementation of the 1961 amendments to the Social Security Act and to the recent administrative measures announced by the Secretary for a more constructive approach to get people off assistance and back into useful roles in society. New policies and regulations have to be developed for their implementation. Also, many management and organizational problems requiring the attention of this office will be encountered as a result of increased bureau staffs and new or expanded programs.

During 1961, a series of surveys were undertaken to comply with the request of the House Ways and Means Committee for a report on the medical resources available to public assistance recipients and other needy persons throughout the States. This report was submitted to the House Ways and Means Committee on December 29, 1961. However, because of the very considerable interest on the part of the general public, Congress, and organized groups in the medical care area, continued emphasis will have to be placed during 1962 and 1963 on methods of paying for hospital services, problems relating to quality of care, and the utilization and financing of other medical services.

When the legislative provisions of the 1961 amendments were being considered in Congress, it was indicated that our Department expected to make a thorough reappraisal of welfare and other programs under the Social Security Act for consideration by the 2d session of the 87th Congress. Accordingly, a number of the provisions enacted in the 1961 amendments were made effective only through June 30, 1962. This necessitated prompt appraisal and analysis of the activity under these programs.

BUDGET REQUEST

The operating budget for fiscal year 1962 provides \$878,000 and 90 positions. For fiscal year 1963, 113 positions and a total of \$1,129,000 are requested. Of the total amount, \$711,000 is requested from general funds; the remainder of the request, \$418,000 to be derived from the Federal old-age and survivors insurance trust fund.

For fiscal year 1963, we are requesting an increase of 23 positions and \$251,000 over the 1962 operating budget. Of the total new positions requested, six are to meet increased workload in the direction and coordination function resulting from expanded and new programs; 16 are to expand and reorganize the program research function; and one is to handle increased workload in administering the cooperative research program.

As has been previously mentioned, steps have been initiated to modify the welfare programs with two main objectives in mind; the correction of whatever abuses have crept into them, and the development of more constructive approaches to get people off assistance and back into useful roles in society. I covered rather thoroughly in my general opening statement the administrative

measures that the Secretary has announced will be placed into operation to work toward these goals. Also, a new position of Assistant Commissioner of Social Security has been created to provide leadership in the development of services which will assist persons in remaining or becoming self-sufficient and to assure that maximum benefits of the programs of the Children's Bureau and the Bureau of Family Services are coordinated for the protection and well-being of children. Two positions are requested for staff assistance to the Assistant Commissioner, one professional position and one clerical position.

New programs in social security have materially increased workload in the administrative, personnel, and fiscal management area. For example, new programs of medical assistance for the aged, temporary aid to dependent children, assistance to mentally ill American nationals, assistance to repatriated U.S. citizens from abroad, the foreign currency program, and the Cuban refugee program have been added within the past 2 years. Also, substantial changes have been made in many of the other social security programs. As a result of the new programs, the staffs of the social security bureaus have increased and organizational structures and programs and their financing have become more complex. This has created a need for more manpower at the Commissioner's level to analyze and appraise Bureau activities, to direct the bureaus, and to serve as liaison with the Office of the Secretary. The 1962 operating budget provides four professional positions for work in the total management area. For 1963, one additional professional and one additional clerical position is requested to handle the increased workload.

In recent years, we have, of necessity, had to devote more time to international activities as a result of a growing interest on the part of foreign countries in experience and development in the social welfare program of the United States. For example, in 1956, 162 foreign persons were referred to us by other governments or by national and international governmental and voluntary agencies for orientation in our programs. This past year, the number of such referrals was 330. We are also called upon by the Department of State and the United Nations for assistance in preparing policy papers and technical documents in the social security field. This workload has increased materially over the past several years. Two additional positions are to provide staff to handle increased work in the international area.

When I appeared before you last year, I reported that we were in the process of having a complete review of all research activities made by an outside advisory group of distinguished experts to assure that our research is geared to changing needs in a changing world. This group has completed its review. They have made a number of recommendations for strengthening the existing research program of the Social Security Administration, for long-range research, and for forward planning in the social security and welfare field.

The central premise of the advisory group is that in recent years too little attention has been given to long-range research and forward planning in the social security and welfare field. The major part of the research and statistics effort of the Social Security Administration has increasingly gone into the collection of operating statistics, the analysis of the operations of existing programs, and a variety of short-term projects and staff services. We believe that all of these types of activities are necessary and the staff and budget devoted to them should not be curtailed. If national social welfare policy is to be constructively related to current and future needs and to rapidly changing social and economic conditions, the advisory group has recommended, and we concur that provision should be made for a small but highly qualified research staff that can become the nucleus for forward planning related to overall social welfare problems and goals.

The budget request for an additional 16 positions in the research area would permit us to establish a long-range research group which would be responsible for carrying out and for stimulating research in a broad field, involving use of all of the major social science disciplines. For example, the studies to be undertaken would include a reexamination of the objectives of social security and social welfare in a rapidly expanding economy and a drastically changing society. Analysis of the factors underlying and necessary to independent individual and family living would be made. This group would give particular attention to studies of individuals and families who are just beyond the boundaries of existing social security programs and for whom preventive measures may be most effective, studies of changes in family structure and what types of families tend to be most or least dependent, and studies of the ways in which social structure and social organizations produce differing degrees of dependency.

Also as recommended by the advisory group, it is proposed to establish a position of Assistant Commissioner for Research and Development. This person would be responsible for directing, formulating, and coordinating the overall research program of the Social Security Administration and for relating this program to research and to planning activities in other Government agencies. The Assistant Commissioner position would be accomplished through the elimination of the current position of Director of Program Research.

Finally, we are requesting one additional position to administer the expanded cooperative research and demonstration program. The brief experience we have had with this program indicates that more staff is necessary to administer the program even at its existing level.

If you have questions, I will be happy to answer them.

Mr. FOGARTY. This is a rather substantial increase. Do you really feel that this is necessary to do a good job?

Mr. MITCHELL. I say this with great sincerity, that I have never been one, since the great reorganization of 1948, to build the Commissioner's Office beyond the point that could be absolutely justified. I think it is better for us to be thin, and to be very busy.

RECOMMENDATIONS OF THE ADVISORY COMMITTEE ON RESEARCH

But what we are proposing here is primarily with respect to a very important thing, that is, a recommendation of the advisory committee on research.

Mr. FOGARTY. I think we had better put that in the record.

(The requested information follows:)

a RESEARCH PROGRAM

for the

SOCIAL SECURITY
ADMINISTRATION

*Report of Advisory Group to the
Commissioner of Social Security*

UNITED STATES DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE

Social Security Administration

August 1961

*The Advisory Group to the Commissioner
of Social Security*

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Letter of Transmittal

AUGUST 2, 1961.

MR. W. L. MITCHELL,
Commissioner of Social Security,
U.S. Department of Health, Education, and Welfare,
Washington 25, D.C.

DEAR MR. MITCHELL:

I take pleasure in submitting to you this Report of the Advisory Group which you called together to review the research program of the Social Security Administration.

All the members of the group found this an interesting and challenging assignment. We hope our recommendations will encourage and help the Social Security Administration to move ahead with a broad research program for the future.

Sincerely yours,

EVELINE M. BURNS,
Chairman.

ENCLOSURE.

A RESEARCH PROGRAM
for the
SOCIAL SECURITY ADMINISTRATION

*Report of Advisory Group to the Commissioner
of Social Security*

Introduction

In asking this group to advise him with regard to the future research program of the Social Security Administration, Commissioner William L. Mitchell gave us as a basic charge the task of formulating a concept of what the research objectives of the Social Security Administration should be. It was to this purpose that most of our attention was directed during the six days that we met together.

During the preceding year, the Social Security Administration had begun an intensive review of its existing research and statistical activities. But beyond the immediate questions as to how effectively currently assigned functions are being carried out, the Administration recognized the need for a broader review and evaluation of its research program. "After 25 years," Mr. Mitchell said, "the social security programs have reached a degree of maturity, and new or unsolved social problems are pressing upon the nation with a degree of urgency that make it highly desirable for us to reassess our responsibilities for research and research planning."

The Committee is in unanimous agreement that a continuing program of long-range research is needed if the Social Security Administration is to continue to make significant contributions to the solution of current and future social problems. This report tries to indicate the general direction and scope of such research. It emphasizes a kind of research which is now relatively neglected in the Social Security Administration. The proposed research objectives

go well beyond existing concepts and programs. In urging more emphasis upon long-range research the Committee does not question the value of, or the necessity for, the basic statistical record-keeping and program-related research. Necessarily, these will probably continue to account for the greatest expenditure of staff time and funds for research and statistics in the Social Security Administration.

For information, we present as a supplement to our Report a summary of the existing Social Security Administration research and statistical activities that was prepared at the request of the Commissioner of Social Security, by a special consultant, Dr. Blanche Bernstein. Dr. Bernstein also prepared a preliminary statement of issues which was used by the Committee as a basis for discussion. Her comments and suggestions as well as her factual summary proved invaluable to this Committee.

During our deliberations the Commissioner and the research staff of the Social Security Administration placed themselves freely at our disposal and our understanding of the current agency research program and plans was thereby greatly enriched. We wish also to record our great appreciation of the excellent staff service which was rendered by Ida C. Merriam as Executive Secretary to the Advisory Group and by Lenore A. Epstein, Assistant Director of the Division of Program Research.

We have found ourselves stimulated and excited by the potentialities of long-range research for providing a more complete understanding of persistent human problems and of new problems which lie just ahead. We hope that this Report and our recommendations will contribute to the realization of these potentialities.

(Signed) EVELINE M. BURNS, *Chairman*
 J. DOUGLAS BROWN
 NATHAN E. COHEN
 JAMES P. DIXON, Jr.
 MARTIN R. GAINSBROUGH
 BURNS W. ROPER
 STANLEY H. RUTTENBERG
 VINCENT H. WHITNEY

MAJOR RECOMMENDATIONS

1. Our first and basic recommendation to the Social Security Administration is that it accept responsibility for carrying out, stimulating and supporting long-range research in the broad field of human resources and social welfare.

2. To this end:

a) A specific staff unit should be established in the Commissioner's office with major responsibility for the development and execution of long-range research.

b) An Advisory Committee on Research Development should be appointed by the Commissioner to assist him in carrying out these responsibilities. It should be composed of outstanding social and other scientists, widely representative of the several disciplines and of different approaches to the study of human resources and social welfare.

3. The Social Security Administration should strengthen its statistical and program-related studies and give more attention to the needs of existing and potential consumers of its research and statistics.

4. The research staff of the Social Security Administration should be directed to devote considerably more time to consultation and liaison with social scientists and research personnel in universities, private research centers and other private agencies and organizations and to the stimulation of research carried on outside the Social Security Administration, including, but not limited to, research supported under the Cooperative Research and Demonstration Grant Program.

5. The Commissioner's office should strengthen its coordination activities and provide more guidance to the research work of the several Bureaus, which, we assume, will continue to carry responsibility for the more directly program-related studies and statistics.

6. There should be established a career-service position of Assistant Commissioner for Research and Development, to

raise the status of research and to assure continuing top-level attention to the carrying out of the research responsibilities of the Social Security Administration.

7. Salary levels and conditions of work should be improved in order to attract and hold highly qualified research personnel.

8. In order to accomplish these purposes, substantially more funds should be allocated for the research and statistical services of the Social Security Administration, and particularly for long-range research.

I. *An Enlarged Research Objective—Enhancement of Human Resources*

There is forming in the world of thought and action today a new concept of the central importance of our human resources in any plan for development, in any hope for the improvement of the human condition. The limiting factor on the achievement of any of our social and economic goals—whether it be increased production, more livable communities, social justice or a world order—appears increasingly to be the quality of the human beings who are the instruments as well as the beneficiaries of such achievement. In the struggle to reduce and ultimately to eliminate poverty, emphasis has shifted from the redistribution of income to increased productivity and enlarged national output. It is time for a similar shift in point of view and emphasis in the social sphere from the alleviation of the consequences of economic hazards and distress to the concept of investment in human resources for the full development of their potential and the enhancement of their welfare.

Over the past half century, most of our concern in the social welfare field and the focus of study and analysis has centered on selected segments of the population—the aged, the needy, disadvantaged children, the rural population, women workers, the unemployed, the disabled. Substantial progress has been made both in the accumulation of knowledge and in the improvement of social conditions through singling out for attention the especially vulnerable groups and their particular problems. This process will properly continue of its own momentum.

We are convinced, however, that the fragmented approach to the human being is no longer sufficient. To answer questions that are already pressing and will grow more so in the future, we need to direct more of our attention toward the study of the totality of human resources. Such research would have many facets and lead into many separate paths

of inquiry. Its primary task, however, would be integrative, to bring together the knowledge and insights of different disciplines and separate approaches. Its focus would be increasingly on the normal as well as the abnormal in human behavior, on the life history of individuals in all population groups and not just those affected by specific programs at specific times, on the family as a primary grouping and on the community setting.

There has also been a tendency to deal with the consequences of social problems rather than with the conditions which create them. A concern for prevention rather than amelioration, however, demands a better knowledge not only of the individual but also of social institutions and of the values which give direction to aspirations and behavior. It implies too a concern with the social costs as well as with the gains of economic progress.

We have indeed reached a stage in the evolution of the social security programs that would in itself call for a breakthrough from established modes of thought to the development of new concepts spanning the broader functions of social welfare in a progressively changing society. The social security programs had their beginnings in this country in a period of economic distress and disorganization. They have become a part of the established institutional structure of our society. We now recognize the social security system as an essential mechanism in the effective operation of modern-day society. Its scope has been steadily expanded to embrace, to varying degrees, public assistance and health, welfare and other community services.

During the past 25 years, the specific programs established under the Social Security Act have grown and matured. With this growth the overlap among separate programs has become greater and more troublesome. Responsibility for filling the remaining gaps is not easily assigned. Unless a detached hard look is taken at the totality of the situation, efforts in the social field are likely increasingly to conflict in purposes, with the result that there will be ineffectual duplication or fragmentation of action.

In recent years there have been developing—somewhat tentatively—a growing number of community and social services and some theories as to the place of such services in society. Much research effort has been devoted to the evaluation of particular services and the kinds of training they require. There has yet to be developed an overall basis for measuring the extent of existing social services and their impact on families and on the community. It is clear that urbanization, suburban living, and population mobility will force a restructuring of many existing organizational patterns.

Some of the difficulty and some of the hope in the situation are to be found in the dynamic character of our world. The rapidity of change in all aspects of life today is not easy to grasp or to reflect in any research program. Yet it must be central to all long-range research in the social field.

Agenda for Long-Range Research

By its nature, research involves a reaching forward into the unknown. Long-range research must be evolutionary in character. If it is creative, the detailed program evolves out of the give and take of ideas in the work process rather than from some blueprint drafted in advance. No pretense is made here at a detailed agenda for long-range research in the general area of human resources and welfare. Some broad suggestions and a few specific illustrations, however, will serve to indicate the kind of approaches we regard as important and why we believe that the Social Security Administration should carry a major responsibility for research in this area.

We approached the same central point from various areas of specialized interest. The ideas we are presenting reflect both these differences of emphasis and the convergence of our general thinking.

We are impressed by the need for a reexamination of the concept of social security and social welfare in the framework of a rapidly expanding economy and a drastically changing society. Rapid population growth, high rates of mobility, continuous technological innovation and extremely

rapid social change overall cannot but have a profound effect on the needs and the capacities of individuals and families as well as on the overall national welfare. Economic development over the next 25 years cannot but alter in some measure the character of our social security and social welfare program as it has over the past quarter century. What is now needed is not merely an analysis of how existing programs might be affected and modified under changing conditions, but also a new social inventory of the securities and insecurities and the needs and human requirements of a world that will change even more in the quarter century ahead.

One part of the long-range research program of the Social Security Administration must be broadly concerned with the requisites for achieving and maintaining healthy and independent individual and family living. This makes it mandatory to study not merely those who are in some way in a dependent status but, equally, those who have maintained or achieved independence. Such research must cover the full range of human situations if it is to be of use in understanding the nature and extent of dependency.

For this purpose, we need concentrated research and analysis that will bring together the many scattered bits of information we now have about the characteristics of special population groups such as low-income families, broken families, the aged, the disabled or the unemployed, and place them in perspective. We need studies that will probe more deeply into the circumstances of these groups and particularly of individuals and families who are beyond the boundaries of existing social security programs.

This means essentially studies of the entire population from selected points of view. Of particular value would be longitudinal studies—studies that would follow an individual or family over a period of time and thus enable us to understand more of the aspects of security and insecurity over the life cycle. Another series of studies might attempt to determine for a full cross-section of the population what kinds of income-hampering conditions exist, and the effect of these conditions on the employability of the individuals

and the level of income they and their families are able to achieve.

Other broad research opportunities lie in the study of such specific groups as adolescents or unemployed young people or persons over 65 or recent migrants to large cities with a view toward a better understanding of both the positive and negative aspects of their personal situations. What are the extent and forms of their dependency and their principal unmet needs? What are their opportunities for work, part-time or full-time, for positive use of leisure, for health and other services?

Many forms of dependency are "normal" in our society. The dependency of young children is an obvious example. But there are other forms of dependency which may be rooted in the social structure. Research which focusses on the range of individuals and families in relation to various aspects of social organization is necessary first, to identify, and second, to measure, the extent of such dependency under different conditions and assumptions. Some very broad but fundamental questions immediately arise. Are there different types of social organization which produce unequal degrees of dependency? What changes in social structure can increase well-being without sacrificing other goals which are highly valued? To what extent is dependency a result of individual inadequacy, due to heredity or environment? To what extent is it a response to particular aspects of the social structure such as racial discrimination, differences in educational opportunity, or the lack of full employment? Such questions suggest the need for comparative studies of social organization in this and other countries. What are the logical consequences of organization patterns which at present can be represented only by models? Such research should help provide answers to questions of basic significance about the extent of necessary dependency in a country and about the conditions which either promote or lessen excess dependency.

The changing character of our communities, the physical deterioration of wide sections of older cities, the urbanization of the population present new needs and also new opportuni-

ties for constructive living. Both aspects should be included in our social inventory.

Another focus of study in a long-range research program will be the family as an institution. What changes are occurring in the American family and what further ones may be anticipated? How are changes in family structure and relationships related to an increase or decrease in security? What types of families are most and least independent and what factors account for these variations? What is the impact on the family of external factors, for example, increased life expectancy or the greater concentration of residences in the rings of major metropolitan areas?

"Security" and "dependency" are measured not only by objective factors such as amount of schooling, annual family income, or participation or lack of participation in a particular social security program, but also by attitudes and values. There is a real need for more knowledge not only about how different groups of Americans view their needs, what situations in their lives they feel unable to cope with actually or potentially, and how well they themselves feel their problems have been met, but also about such everyday but highly consequential attitudes as those toward their own and other jobs, toward education, toward life goals.

The interrelations of health and general levels of living are now generally recognized. There is need to look more closely at the impact of medical costs on family budgets, at the social costs of inadequate health care, at the place of health services in relation to other community services, at the consequences of alternative methods of financing medical care and health services.

The existing and proposed social security programs themselves raise a series of wide-ranging and fundamental questions which call for more study than they have yet received. Thus their costs may be expected to and should receive increasing attention as the programs grow in absolute size. The share of the national output devoted to social security or to social welfare is all too frequently viewed in terms of the immediate burden on the productive members of society. Of late, there is increased recognition of the yield to be

earned from investment in human beings and in programs that not only improve their welfare but simultaneously raise their capacity as productive members of society.

What criteria or measures of adequacy can be developed as guides to policy with respect both to income maintenance and community services? How much variation is there in minimum living standards for different groups or areas of the country. How much is the country willing to accept?

Research is also needed to determine how programs can be developed more effectively to stimulate initiative, self-reliance and enterprise.

There is need for more sustained study of the effect of social security and social welfare programs on both economic instability and economic growth. The current and potential counter-cyclical effects of alternative levels of social insurance and public assistance payments have received very little attention. The impact of a further large increase in social services on both cyclical and secular unemployment should be carefully analysed. What forms of social security promise to diminish in importance as family incomes rise? What areas of welfare requirements will take on greater significance in an expanding economy?

Further analysis of the comparative economic and social effects of public and private benefit programs would be fruitful. More study is needed also of the combined effect of such programs not only on aggregate savings but on the changing structure of savings and the savings patterns of different groups and on the asset position of the aged and of individuals and families at different income levels.

Present methods of financing social security and social welfare programs need to be reexamined in the light of changing economic and political conditions. We need fresh analyses of the implications of the use of alternative sources of revenue for individual programs and for all welfare programs combined.

A complete picture of social benefits, and the allocation of benefits and costs among different age groups and income levels, must take account of social welfare subsidies indirectly granted through taxation, as well as direct social security

and social welfare programs and private employee benefit plans. This is another example of the need to study the total situation of different population groups and the combined effect of multiple approaches to the meeting of social need.

Increasingly too, attention must be paid to the long-range social implications of existing social security programs or policies. Thus, earlier retirement, in part made possible if not encouraged by old-age, survivors, and disability insurance, creates a need for provision—public and private—for leisure time activities for a growing retirement group, for different types of housing and the like.

In concluding this illustrative agenda for long-range research, we would emphasize two points. First, we have attempted only to indicate very broadly the nature of the questions and the focus for research. Our suggestions are not intended as a working plan or precise directives. Second, it is not intended that any one agency, in or out of government, shall carry out all the research that we see as necessary.

At present no government agency is charged with the research objective herein envisaged. We recognize that the concept of human resources is broader than the operating responsibility of any single agency. Even so, if the studies and research which we regard as of critical importance are to come into being soon and in sufficient volume, there must be a specific locus of relevant research thinking and research stimulation. The Social Security Administration, by giving adequate recognition in its staffing and organizational structure to long-range research, will, we believe, be in a position to serve as a catalyst and clearing house. Its legal responsibilities bring it most directly into contact with, and require it to concern itself with, people and their total well-being. It is thus in a strategic position to become a major center for long-range research development in the general field of human resources and social welfare. Obviously the concerns of other agencies and, indeed, of other constituents of the Department of Health, Education, and Welfare itself, involve research interests that overlap those of the Social Security Administration as we envisage them. There is much to be gained by continuing the initiative and enterprise

of various agencies in research in human problems. If the Social Security Administration accepts and meets the responsibilities we propose, its research contributions can provide valuable guides for the proper development of the field in the future.

Our first and basic recommendation to the Social Security Administration is that it accept responsibility for carrying out, stimulating and supporting long-range research in the broad field of human resources and social welfare.

II. Program Research and Statistical Information

While we urge that the research objective of the Social Security Administration be broadened to encompass the whole field of human resources and social welfare, we recognize that the Social Security Administration must seek answers to questions relating to existing and potential programs. This is essential not only for evaluation and policy decisions within the Social Security Administration but also as a means of interpreting the program to those outside, and insuring accountability.

We therefore devoted considerable attention to the current research and statistical activities of the Social Security Administration and the coverage of various subject matter areas, using Dr. Bernstein's survey as a point of departure. The Director of Program Research and the staff members responsible for research in each of the several Bureaus were available during our discussion to clarify or expand a point as requested.

The Committee did not evaluate in detail the adequacy of all the research and statistical activities of the Social Security Administration. Our general review, however, made it abundantly clear that the statistical recordkeeping, staff services, informational and administrative activities of the research units in Social Security Administration leave inadequate time for basic or long-range research. The Committee is convinced that the Social Security Administration

presently devotes far too little staff time and funds to these essential research functions. Not only is there little long-range research underway or planned, but there are some conspicuous gaps in the program-oriented research and statistics of the Social Security Administration. We found also that the usefulness of current social security data could be maximized at relatively slight cost, if greater attention were given to the needs of outside users of social security statistics.

Allocation of Research Funds

Although the budgets of the officially designated research and statistics units of the Social Security Administration totalled \$4 million in fiscal 1961, not much more than one-sixth of this amount—roughly \$730,000—is presently devoted to research studies (see table 1 on p. 30). Hence it would be a misnomer to speak of a \$4 million research budget, for it is really less than \$1 million. Furthermore, relatively few of these studies involve basic or long-range research. Statistical recordkeeping, actuarial analysis, program planning and appraisal for legislative purposes, technical advisory services, informational and other activities are estimated to absorb the major portion of the time of professional staff members in each of the research divisions of the Social Security Administration—ranging from a high of 84 percent in the Bureau of Old-Age and Survivors Insurance to a low of approximately 70 percent in the Children's Bureau and in the Division of Program Research, Office of the Commissioner.

We believe these types of activity are necessary and must be continued. We found no indication of obvious over-staffing, rather the contrary. The current statistical measures relating to social insurance and welfare programs appear to be necessary to the administration of the social security programs. They also form an important part of our national body of social statistics. We concur in Dr. Bernstein's findings that certain statistical series need strengthening and also that more staff should be devoted to coordination of the program research of the several Bureaus.

Our obvious inference, therefore, is that the effort and funds devoted to research in the true sense are seriously inadequate. We were particularly concerned to learn that while the social security program has been expanded to encompass practically the entire population, the proportion of resources allocated to research is smaller now than in earlier years (see table 2 on p. 30). Furthermore, we have the impression that increasingly emphasis has been placed on research designed to answer immediate and specific questions about existing programs. Too much of the material prepared by staff in the research and statistics units never gets beyond the administrative level of use. Longer term research has inevitably yielded to the urgency of such pressing service functions. This is false economy.

Intermediate-Range Program Research

We have identified a number of gaps in current program knowledge that seem to us serious. The effort to fill these gaps would necessitate research of a character which we describe as intermediate-range program research. It is intermediate between fact-gathering focusing upon immediate short-run program needs and the broader long-range research envisioned in the first section of our report. Some of the more obvious gaps in program knowledge can be readily identified. We would like to comment on them, again briefly, without implying that the list is in any sense exhaustive.

One area on which there is general agreement that more of this type of research is needed is the financing of medical care. The increasing provision of medical care under public assistance programs calls for stepped-up reporting on the type, volume and cost of services, to provide a base for evaluation of these programs. Beyond this the Social Security Administration has a primary concern with the impact of medical care expenditures on family budgets, and with the costs and effectiveness of alternative methods of financing medical care services. There is here an opportunity to dovetail research needed for more or less immediate program development with long-range research that draws on the differing competencies and points of view of the Social Se-

curity Administration and the Public Health Service, and which is concerned with far wider segments of the population than the beneficiaries of existing social security programs.

Careful research is prerequisite to developing useful measures of the volume of child welfare and many other social services, and their impact on families and the community. In light of the 1956 Amendments to the Social Security Act calling for supporting services, analytic techniques must be developed to determine the service needs of public assistance recipients and applicants, and also to evaluate the effectiveness of various services and the ways in which different communities organize and structure them. The existing financing and organization of supportive services should be studied to determine what services are available, the impact of services on the adequacy of the cash benefit and vice versa and to help define the role of the Federal Government and of the Social Security Administration in the financing and organization of these services. Also, studies are needed to clarify the relationships between the public and the voluntary agencies to provide a basis for the determination of the function of the public welfare agency in relation to the total community services and the effect of various patterns of financing on the development of services in a community. Such studies should be planned for their contribution to long-range as well as current research needs.

Closely related in some ways, but involving rather different research techniques, are questions of efficient and economic administration of the social security programs. We understand that much more study is needed to determine an optimum caseload in public assistance, and the type of education and training most appropriate for the welfare workers. Possibilities of simplifying or developing alternatives to the present budgetary deficiency method of determining the individual public assistance payment are urgently in need of study.

The ultimate success of a program in achieving its objectives rests on broad public acceptance of its goals and its methods. More research is needed to determine the degree of

compliance with the legal provisions of old-age, survivors, and disability insurance and the extent to which the public understands the program. The public image of the public assistance program and the assistance recipient might well be probed. Since questions of the extent of abuse of that system are bound to arise in the future, as in the past, quantitative analyses, where possible, should be a matter of continuing study.

We have proposed long-range research on human motivation, on individual incentives and attitudes toward work, thrift, security and achievement of goals. For the short run, too, we see need for such studies in relation to questions such as provisions regarding the responsibility of relatives in public assistance and the retirement test under the old-age, survivors, and disability insurance program.

The dynamic economic and social changes inherent in our society suggest the need for continuing research measuring the utility and validity of existing programs especially in comparison with modified or alternative measures.

Both for immediate and long-range purposes, a reevaluation is needed of the Federal-State relationship in public assistance on the basis of experience during the last 25 years. Is it achieving its objectives of providing minimum security to those without resources, either from their own earnings or from the social insurance system, and what changes, if any, are necessary? Studies in this area might well be made (perhaps by grouping States in order to simplify the problem of analysis) in order to determine whether existing differential standards of adequacy are reasonable and if not, to provide the basis for establishing interim and long-range targets designed to narrow the existing gaps.

A variety of organization and financing patterns for the provision of child welfare services exist within the States. The question arises as to the comparative effectiveness of these patterns in achieving the goal of adequate care for children. Studies are needed in this area with particular emphasis on the impact of existing Federal, State, and local relationships and of public and voluntary agency relationships.

The extent to which the existing programs for aid to dependent children and those for child welfare services do or could achieve an integrated approach to children who need service requires study.

More analysis than the Social Security Administration has found time for in recent years of the impact on the economy of the social insurance programs, including the redistributive effects of contributions and benefits, is likewise necessary for program development in the near future—as well as in the long run.

There are a number of major studies now underway at universities or private research institutes relating to private pension systems, their effects on the employability of older people, and on job mobility throughout the economy, and their effects on aggregate savings and the capital market. This area of inquiry will continue to be of importance. The Social Security Administration will want to make use of the findings of ongoing research on pensions and to carry out or stimulate additional studies suggested by these findings.

Much more information than is now available is needed regularly on the amount and types of income received by the aged, the disabled, broken families, and others with special problems. Does the government have a responsibility for determining the impact of existing programs only on the beneficiaries of these programs? Or does it not also need to know the effect of existing restrictive policies on those who do not qualify and are, therefore, denied assistance and even of those who do not apply although *prima facie* evidence indicates the existence of need?

The problems of depressed areas, both rural and urban, are currently pressing. Although responsibility for action is government-wide, the Social Security Administration should at least be examining the actual and potential role of public assistance in such areas, and might properly concern itself with broader questions such as the social costs of mobility versus immobility.

Maximizing the Usefulness of Social Security Data

We are impressed by the fact that the Social Security Administration has in its files and records of operating statistics a source of economic and social data of potential value for many different purposes. Not enough of this information has been available for other than immediate social security program purposes.

In our judgment, the Social Security Administration is under several obligations with respect to data collected as a by-product of program operations and through special studies. First, it should make available to outsiders as promptly as possible data which would help in appraising the program and proposed changes. This would include earlier release of such data as that compiled in special surveys of public assistance recipients and old-age, survivors, and disability insurance beneficiaries, accompanied by any explanations of methodology needed for proper interpretation. Second, it should make available by-product statistics which would be useful to the economist or other social scientist. Several members of our group expressed particular interest in access to more data from the work-history sample than are now published, pointing up their potential value for studies of technological impact, time and geographic migration between jobs, etc. Third, the Social Security Administration should take more responsibility for analysis of data such as those based on current claims for benefits, the work-history sample and special surveys of beneficiaries, that would throw light not only on the operation of the program but also on the characteristics of the population. Fourth, it should give increased attention to publication of both basic statistics and analytical reports.

In view of these readily indentified needs and potentialities we recommend that the Social Security Administration strengthen its statistical and program-related studies. We recommend also that in so doing, it give more attention to the needs and interests of existing and potential consumers of its research and statistics.

III. Means and Methods

The research objective which we have envisaged for the Social Security Administration is broad and far-reaching in its implications. We have given some thought to the policies and the organizational structure which would be most likely to generate and sustain movement in the direction we have described. Our specific recommendations have three main purposes in mind: the safeguarding of adequate staff time for long-range research; the upgrading of the status of research to attract the highest possible calibre of personnel for the entire Social Security Administration research program, and the continuing interchange of ideas among the Social Security Administration and other groups with similar interests.

A prior condition for the carrying out of any of our other recommendations is the allocation of additional funds to research and statistical activities, and particularly to long-range research. We have given some consideration to the possible magnitude of the amounts that are needed immediately and over the next decade. We have not arrived at any precise estimate. We all agree that there needs to be within the next few years at least a doubling or tripling of the amount allocated to intermediate and long-range research. Other research responsibilities that we propose for the Social Security Administration—improvements in current statistics, strengthened coordination activities, increased liaison with social scientists and research personnel outside the government and efforts to stimulate as well as carry out research—would all call for an expansion of existing research staff and budgets. We recognize also the need for substantially increased funds for support of research outside the Social Security Administration.

We think that a very considerable expansion over the next 5 or 10 years will be required and should not cause concern, in the light of the growing scope and expenditures of social security programs and the forward advance of research in all fields. Research on human and social problems has had far too little support in general as compared with research

in the physical sciences and engineering. Less than 2 percent of the total research expenditures (as defined by the National Science Foundation) of the Federal Government in fiscal 1961 went for social science research. Of this, the Social Security Administration accounted for only about 7 percent. Indeed, we were struck by the fact that the amount spent by the Social Security Administration was less than that spent for social science research carried out directly by the Department of Agriculture, the Department of Commerce, or the Public Health Service, all of which of course also spent substantially larger amounts on research in the agricultural, physical or medical sciences.

Viewed against this background, we have no hesitation in recommending an expansion of Social Security Administration expenditures for research along the lines we have proposed. Failure to carry out the kinds of research which can effectively evaluate both programs and needs, and their consequences for the economy and for society can be costly indeed. Without such research there is no effective determination of whether large sums of money being spent are in fact providing the services and achieving the goals for which their spending has been authorized. We urge that the Social Security Administration budget for research be continually reevaluated in the light of the potential value of increased knowledge and more soundly based policy relating to our human resources and social welfare.

Consultation and Research Development

We strongly recommend to the Commissioner that he appoint a continuing Advisory Committee on Research Development to help him formulate a research agenda in more specific terms than we have done, and continuously to re-evaluate and, where indicated, reformulate the research objectives of the Social Security Administration. The services of outstanding social and other scientists should be enlisted for this purpose. The Committee should be widely representative of different disciplines and varied approaches to the study of human resources and social welfare. We would suggest that the Committee meet regularly, perhaps three or even four times a year.

We recognize that this would involve a fairly extensive amount of staff time in preparation for the discussions and follow-up on the proposals coming out of the meetings. We see this as an advantage of our proposal. The necessity to report to and service such a committee would help assure that long-range research is given due attention in the total research program of the Social Security Administration. Some of the other recommendations we are making would assure staff time for this purpose. We think it is important that the Committee start functioning as soon as possible, however, even though this means diverting some of the time of existing staff from current activities.

We are impressed also with the need for another kind of consultative arrangement. We have already suggested that the Social Security Administration give more attention to the interests and needs of potential consumers of its statistics. *For this purpose it might be useful either to establish a continuing committee or from time to time to set up ad hoc committees of users*, such as the committee which advised the Division of Program Research on its social welfare expenditure series a few years ago.

We recognize that there may be other aspects of the Social Security Administration research activities or programs on which some outside consultation would be of value. The Advisory Committee on Research Development would presumably identify some such areas and might either appoint subcommittees of its members to study particular questions or recommend to the Commissioner the setting up of special advisory groups. These might be concerned with special problems of methodology, with the stimulation of an interdisciplinary attack on particular problems, or with the relations of selected aspects of Social Security Administration research and that carried on in other public and private agencies and organizations.

In general we have the impression that in recent years the research program of the Social Security Administration has been turned too much inwards. The research objective we have suggested is outward-facing. This tendency would be supported by the presence and influence of the continuing Advisory Committee. *We recommend* that this approach

be further strengthened and given substance by *a conscious policy of liaison and working with social scientists and research personnel in universities, private research centers and other private agencies and organizations*. This is partly a matter of making staff time available for consultation and for attendance at conferences organized by others. It may involve the acceptance of certain clearinghouse functions and responsibilities. It probably requires more time devoted to following the general development of related fields. It implies efforts to stimulate research as well as to do research.

Indeed we can envisage the Social Security Administration taking the leadership in stimulating and helping to organize a national Conference on Human Resources and Social Welfare Research somewhat along the lines of the periodic Conference on Research in Income and Wealth sponsored by the National Bureau of Economic Research. For the past 25 years, this Conference has stimulated and provided a forum for discussion of research relating to income distribution, saving, and related matters. We have no specific recommendations as to the exact form or the nongovernmental auspices of a national Conference on Human Resources and Social Welfare Research. It would clearly need to involve a number of different governmental agencies and could thus exert a coordinating and integrating force within government as well as providing a broader forum for the dissemination of ideas and for research planning. We suggest that the Social Security Administration give serious consideration to the possible ways in which such a Conference might be organized, including exploration of possible sponsorship by one or more universities and financial support by foundation grants or related means.

A Structure for Long-Range Research

The development of an effective and economical organizational structure that will make possible long-range, objective and basic research presents a problem to industry and universities as well as to government. Worthwhile research, particularly social research, cannot be carried on in complete isolation from the real and changing world. On the other hand, once those engaged in research are exposed to important

and pressing current demands on their time, the long-range problems—though recognized as more significant for the future—are inevitably pushed aside.

Some corporations and firms have attempted to resolve this problem by setting up separate research laboratories or distinct long-range planning units, freed from responsibility for day-to-day operations or problems. Universities are experimenting with various devices for creating centers within which thinking can be free and uninterrupted by outside demands. One device which has proved useful both in and outside government is that of a separate research institute with an assigned field of interest.

The precise organizational form that would be most effective in the Social Security Administration can probably be best determined by the agency itself. We have, however, some definite recommendations as to the general structural pattern.

We are concerned about the effects of fragmentation of research in the Social Security Administration. Our general consensus, however, is that each operating Bureau should continue to have its own research and statistics units with responsibility for the development of program statistics and the carrying out of program related research. The strengthened coordination activities and the expanded research functions for the Office of the Commissioner which we recommend below would help to counterbalance and minimize the potential weaknesses of such decentralization. Several of the existing Bureau units are seriously understaffed and would appear to need strengthening to carry out their responsibilities effectively and to service other potential users of the data derived from program operations.

We see the need for three kinds of research activity in the Office of the Commissioner. First and most important in the light of our basic recommendations is long-range research directed toward the broad objectives we have outlined. Second, there is a need also for direct coordination of the research and statistics activities of the several Bureaus and for staff services to the Commissioner in connection with current problems and policy formulation. The third function is that of support of research and demonstration proj-

ects carried on by State or nonprofit agencies under Sec. 1110 of the Social Security Act.

In theory, the Division of Program Research now has responsibility for all three of these functions. It has carried out all of these to some degree. But, at least in recent years, the Division has not been able to devote any significant amount of time or attention to long-range research because of other pressing demands upon its staff. Most of its current activities, however, were unavoidable or administratively desirable and we have seen no evidence of over-staffing. *It seems clear to us that provision must be made for a new research unit whose primary responsibility would be that of carrying on and stimulating long-range research.* The unit need not be very large—perhaps a professional staff of ten or fifteen persons would provide a nucleus to start the forward movement for which we are looking. It would have to be a highly qualified group. And it would have to be shielded from pressures to put out fires or deal with immediate problems.

The Commissioner should still have available to him a staff that can provide quick service when he needs facts and analyses for immediate use. Furthermore, assuming that most of the program-related studies will continue to be the responsibility of the several Bureaus, *the Commissioner's office should strengthen its direct coordination activities and provide more guidance to the Bureaus as to needed studies.* The need for liaison with the other constituents of the Department and for participation in Department-wide planning can be expected to increase and to add to the demands on a program research staff in the Commissioner's office.

The Cooperative Research and Demonstration Grant Program under Title 1110 of the Social Security Act was launched without an assigned full-time staff. We understand that the Social Security Administration expects to remedy this situation in the coming year when funds for the administration of the program become available. There will then be a special unit responsible for planning and setting priorities for the use of the grant or contract funds, reviewing applications for support, and providing advice and consultation to research groups throughout the country. The

Cooperative Research and Demonstration Grant Program staff can serve as an important channel of communication between the research staff of the Social Security Administration and the universities and voluntary agencies in the field. They can help to implement and test out ideas generated by the long-range research program, and they can keep the Social Security Administration staff aware of the questions that are of greatest current interest to nongovernmental groups.

We have also given some consideration to a possible device or instrument for focusing research in important areas of our concern. We have suggested the need for studies of broad population groups including both beneficiaries of existing programs and persons outside those programs. Some of the data for such studies might be obtained from special tabulations or additional questions on existing surveys such as the *Monthly Report on the Labor Force*. The kinds of data that can be obtained in this way, however, are limited. It may prove desirable for the Social Security Administration to set up a special National Family Welfare Survey, analogous to the National Health Survey and similarly including a continuing series of sample population surveys and special analytical and methodological studies. The sample might also be designed to provide a basis for longitudinal studies—studies that would follow an individual or a family over a period of time. It is possible that a continuing sample survey could make unnecessary some of the statistical reporting by State welfare agencies that might otherwise be required and free resources for more creative research. At the same time it would enrich program knowledge by providing information (not available in agency case records) about the families receiving assistance or welfare services. We have not examined the advantages and disadvantages of a National Family Welfare Survey in sufficient depth to form a final opinion. We think the idea has merit and warrants further study. It would have its fullest value within the context of the enlarged research objectives here envisaged.

The three major kinds of research activity and functions that we have suggested for development at the Commissioner's level are obviously interrelated. We recognize that

they (and a National Family Welfare Survey if this were to come into operation) should probably be grouped together under some general direction. At the same time, we regard it as highly important to give added status to research. *We recommend therefore that there be established a career-service position of Assistant Commissioner for Research and Development.* The expanded research activities in the Office of the Commissioner, organized in separate Divisions, would come under his direct supervision. These would minimally include a Division of Long-Range Research, a Division of Program Research and Coordination, and a Division of Research Grants. We suggest that the Assistant Commissioner be responsible also for the development of a needed coordinated research work plan and research budget for the Social Security Administration as a whole.

The Committee believes that establishment of a position of Assistant Commissioner is necessary not only to strengthen internal coordination but to establish the kind of working relations with other government agencies and with social scientists and research personnel outside of government which we see as an important part of the Social Security Administration research role and responsibilities. The establishment of such a position would go far to provide continuing top level attention to assure the full implementation of the research objective we have proposed for the Social Security Administration, and particularly to safeguard the integrity of purpose of long-range research. The Assistant Commissioner for Research and Development would, of course, work closely with the Advisory Committee. Similar posts in other agencies have proved very valuable in promoting research objectives and a status for research comparable to that which we propose for the Social Security Administration.

Staffing of Research

We believe that further attention should be given also to the conditions necessary to attract and hold top grade research personnel with the special qualifications that will be needed. Even now, we note, there is a vacancy rate for certain types of positions, high enough to raise a question as

to whether there has been adequate compensation, adequate status or prestige and adequate recruiting methods for research personnel.

Clearly, there will be need for personnel from a variety of disciplines, such as economics, political science, psychology, sociology, anthropology and social work, to staff the new unit responsible for long-range research. To attract personnel of the caliber needed will require grades and salaries well above those now customary for staff members without administrative responsibility, in view of the alternative opportunities in universities and private organizations. The size of the supporting junior professional staff should also be large enough to maximize the contribution of the "thinkers" so that their valuable research time will not be devoted to clerical, computing, and similar functions. It is our hope that a decision by the Social Security Administration to implement our recommendation as to the scope of their research will in itself be a positive factor in attracting candidates for the new positions to be developed. By definition, this staff would have considerable freedom in the choice of topics for study. They must also have increased freedom to plan and undertake research which will extend over a considerable period.

The research divisions of the Bureaus and the unit which provides staff services to the Commissioner and coordinates the Social Security Administration's program research must of course include high-caliber persons with intimate knowledge of the social security programs. They must also attract well-trained statisticians, social scientists, and persons with proven competence in modern survey research techniques. The latter are urgently needed if field surveys are to provide data of maximum usefulness.

Social Security Administration staff at various levels should be in a position to offer consultation services to outside agencies. For this purpose, not only program knowledge but recognized professional competence and a broad familiarity with relevant research in related fields are highly desirable. These qualifications are essential for the professional staff responsible for the research and demonstration grants program. Opportunity to participate in professional

meetings and to publish in professional journals, as well as salaries reasonably competitive with incomes for similar work outside government, are essential to staff of this character and with these responsibilities.

From a long-term staffing point of view, we envisage the need for the Social Security Administration to stimulate the interest of graduate students and young academicians in research in human resources and welfare. Appropriate steps might include more frequent contacts with professional colleagues in universities and elsewhere, research seminars, and possibly some type of research internships.

In summary, we believe that the steps we recommend would accomplish these several important purposes:

1. They would make possible and encourage research focused on human resources and human needs that would give substance to the Welfare responsibility of the Department of Health, Education, and Welfare and of the Social Security Administration.

2. They would safeguard adequate staff time for much-needed long-range research in these fields.

3. They would assure the more effective development of those statistical reporting and program research functions which only the Social Security Administration can carry out.

4. They would assure the continuing interaction of research and policy thinking inside and outside government, bringing to the Social Security Administration the stimulus and challenge of different points of view and allowing the Social Security Administration to make an important contribution to the advancement of the goals for which it was established.

TABLE 1.—*Budgets of research and statistics units of the Social Security Administration, and estimated allocation by type of activity, fiscal year 1960-61*

	Total	Office of the Commissioner: Division of Program Research	Bureau of Public Assistance: Division of Program Statistics and Analysis	Children's Bureau: Division of Research	Bureau of OASI: Division of Program Analysis ¹	Office of the Commissioner: Division of the Actuary
Total: Amount (in thousands)-----	\$4,080	\$340	\$255	\$351	\$2,997	\$137
Percent-----	100	100	100	100	100	100
Research studies-----	18	30	22	29	16	-----
Statistical reporting and record keeping-----	22	-----	30	17	26	-----
Legislatively - oriented program analysis and program planning-----	16	20	8	9	17	5
Actuarial studies-----	5	-----	-----	-----	4	70
Consultation, technical advice, coordination, clearing-house, and publications activities-----	11	25	10	18	9	5
Response to public and congressional inquiries-----	9	10	5	7	9	10
Administration and other assignments-----	19	15	25	20	19	10

¹ And also Analysis Section, Management and Analysis Branch, Division of Disability Operations.

TABLE 2.—*Estimated number of positions¹ in research and statistics units of the Social Security Administration, fiscal years, 1940, 1950, 1960, and 1961*

Organizational unit	1940	1950	1960	1961
SSA—Total ² -----	306	275	555	578
Excluding Children's Bureau-----	306	237	513	536
Division of Program Research (formerly Bureau of Research and Statistics)-----	158	30	36	36
Bureau of Public Assistance: Division of Program Statistics and Analysis-----	(*)	30	29	29
Children's Bureau: Division of Research-----	(*)	38	42	42
Bureau of Old-Age and Survivors Insurance: Division of Program Analysis and Analysis Section, Management and Analysis Branch, Division of Disability Operations-----	126	165	432	455
Division of the Actuary-----	22	14	16	16

¹ Professional and clerical positions; includes vacancies; excludes field and regional staff. For 1940 and 1950, positions as of end of fiscal year; for 1960 and 1961, positions as of beginning of fiscal year.

² In 1940, the Children's Bureau was in the Department of Labor. The Bureau of Employment Security, now in the Department of Labor, was in the Social Security Board, but for comparability, its staff is omitted.

Note: It is impossible to estimate a functional breakdown of activities in earlier years precisely comparable to that shown in table 1 for fiscal 1961. In 1940 the Bureau of Research and Statistics was still carrying responsibility for the statistical reporting system for public assistance. By 1961 the combined research staffs of the Division of Program Research and the Bureau of Public Assistance were less than half that of the Bureau of Research and Statistics in 1940. Furthermore, it appears from an examination of the Annual Reports of the Social Security Board and the record of output during the late thirties and early forties, that several times as much staff time was devoted to research studies as is now the case in the successor units.

1963 BUDGET REQUESTS

Mr. MITCHELL. I just wanted to make one little point with respect to it, to the matter of investigating the normal situation. In one paragraph that reads as follows:

One part of the long-range research program of the Social Security Administration must be broadly concerned with the requisites for achieving and maintaining healthy and independent individual and family living. This makes it mandatory to study not merely those who are in some way in a dependent status, but equally, those who have maintained or achieved independence. Such research must cover the full range of human situations if it is to be of use in understanding the nature and extent of dependency.

Mr. FOGARTY. All right.

Mr. MITCHELL. I was just saying that almost all of the increase that we are proposing is by way of the implementation or the partial implementation of what their proposals are.

Mr. FOGARTY. The appropriation, including the OASI transfer, for 1962 is \$912,000 and the request for 1963 is \$1,129,000 an increase of \$217,000. You are asking for an increase in each of your three activity groupings, are you not?

Mr. MITCHELL. That is true.

RESERVE

Mr. FOGARTY. You are asking for an increase in each of your three activities for 1963, and you had a reserve of \$34,000 in 1962. Which areas were those funds taken from?

Mr. WYNKOOP. We took all of the reduction, Mr. Chairman, in the research area.

Mr. FOGARTY. And that is the one you just told us you want to put the most emphasis on.

Mr. WYNKOOP. Yes; but that is the only group really where we have more than one, two, or three employees performing a function.

COOPERATIVE ACTIVITIES WITH STATE DEPARTMENT AND "AID"

Mr. FOGARTY. You mention on page 267, that "cooperation with the Foreign Service is taking an increasing amount of time." What is this work and do you get reimbursed for it?

Mr. MITCHELL. I referred to this in my opening statement this morning, Mr. Chairman. It is work that arises out of the visits to this country of foreign people who are concerned about welfare or social security and who seek assistance in getting placed in universities or provided with opportunities for observing the operations of those programs in the United States.

We also provide considerable services to the United Nations, the State Department, the AID agency, and the Chairman of the International Departmental Committee on Social Policy who advises the State Department. We collaborate with the AID program in the recruitment of professional staff to go abroad, and we engage in cooperative effort with the International Social Security Association to provide an international clearinghouse for the exchange of information on various aspects of social security.

That I think very briefly covers the scope of the activity we attempt to perform.

Mr. FOGARTY. Do you think you should get reimbursed?

Mr. MITCHELL. For the services that we provide to AID, we do get reimbursed.

Mr. WYNKOOP. They are paying for 13 positions this fiscal year, Mr. Chairman, for work that we do specifically for them at their request. But there are some of the requests, as Mr. Mitchell has indicated, that do not fall within the purview of their plans, and they are not willing to finance those, strangely enough. So we just have to carry those out of our own appropriation.

CIVIL DEFENSE

Mr. FOGARTY. What about in the civil defense area?

Mr. MITCHELL. The civil defense activities we have performed thus far have been provided for by an allocation of funds and direct appropriation.

Mr. WYNKOOP. We have an allocation of money for one person in the Commissioner's office who has been a focal point, a liaison with the Secretary's office and Civil Defense.

Mr. FOGARTY. You get reimbursed for one person?

Mr. WYNKOOP. Yes.

Mr. MITCHELL. You are only talking about the Civil Defense activity of the Commissioner's office.

Mr. FOGARTY. Yes.

Mr. MITCHELL. We have a very substantial civil defense organization that is financed out of civil defense moneys.

Mr. WYNKOOP. That is reflected this year in the request that was submitted to you for the Bureau of Family Services.

Mr. FOGARTY. All right. Is there anything else you want to say?

Mr. MITCHELL. No, I think not.

RETIREMENT OF COMMISSIONER MITCHELL

Mr. FOGARTY. Is it true what we hear, that you are thinking of retiring from Government service?

Mr. MITCHELL. Yes, sir. It has not been formally announced, but I think that the rumor has gotten so that it might just as well have been.

Mr. FOGARTY. You and I do not agree on the Children's Bureau, but I think I can speak for the entire committee in saying we think you have done an outstanding job in all the years you have served the Government, especially as Commissioner of Social Security. You will be a great loss to the Federal Government.

Thank you very much.

WEDNESDAY, FEBRUARY 21, 1962.

FREEDMEN'S HOSPITAL

WITNESSES

DR. CHARLES E. BURBRIDGE, SUPERINTENDENT, FREEDMEN'S HOSPITAL

DR. R. FRANK JONES, MEDICAL DIRECTOR, FREEDMEN'S HOSPITAL

HENRY H. BAIRD, BUDGET AND FISCAL OFFICER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	3,229	3,386	3,898
Positions other than permanent.....	513	518	604
Other personnel compensation.....	511	537	596
Total personnel compensation.....	4,253	4,442	5,098
12 Personnel benefits.....	246	258	300
21 Travel and transportation of persons.....	2	2	2
22 Transportation of things.....	1	2	1
23 Rent, communications, and utilities.....	154	156	161
24 Printing and reproduction.....	7	7	7
25 Other services.....	49	194	62
Services of other agencies.....	16	16	16
26 Supplies and materials.....	615	627	709
31 Equipment.....	76	164	75
42 Insurance claims and indemnities.....	3		
Subtotal.....	5,423	5,867	6,430
Deduct quarters and subsistence charges.....	103	99	101
Total obligations.....	5,320	5,768	6,329

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	687	734	869
Full-time equivalent of other positions.....	176	179	208
Average number of all employees.....	847	880	1,026
Number of employees at end of year.....	870	910	1,060
Average GS grade.....	5.0	4.9	4.9
Average GS salary.....	\$5,157	\$5,107	\$5,010
Average salary of ungraded positions.....	\$3,997	\$4,188	\$4,028

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Inpatient services:			
(a) General hospital.....	3,231	3,494	3,648
(b) Tuberculosis hospital.....	483	486	486
(c) Full pay pavilion.....		190	473
2. Out-patient services.....	480	468	490
3. Training program.....	626	683	726
4. Administration.....	544	492	505
Total program costs ¹	5,364	5,813	6,329
Changes in selected resources ²	-44	-45	
Total obligations.....	5,320	5,768	6,329
Financing:			
Advances and reimbursements from non-Federal sources.....	-1,889	-2,035	-2,420
Unobligated balance lapsing.....	66	3	
New obligational authority (appropriation).....	3,498	3,736	3,909

¹ Includes capital outlay as follows: 1961, \$103 thousand; 1962, \$178 thousand; 1963, \$75 thousand.² Selected resources as of June 30 are as follows:

	1960	1961 adjustments	1961	1962	1963
Stores.....	85	29	86	49	49
Unpaid undelivered orders.....	95	-5	76	67	67
Total selected resources.....	180	25	161	116	116

NOTE.—Reimbursements from non-Federal sources are derived from fees charged to patients (32 D.C. Code 318).

Mr. DENTON (presiding). Dr. Burbridge, we are glad to have you with us. Do you have a statement to present?

Dr. BURBRIDGE. I do, Mr. Chairman.

GENERAL STATEMENT

We have one statement I would like to read. It is brief. I would like to call attention to the fact we have with us Mr. Baird, budget and fiscal officer, and Dr. Jones, the medical director, and we are privileged to have with us also the president of Howard University, who is sitting in the room to gain information about our estimate.

Freedmen's Hospital, during its 97 years of existence, has carried out its functions under governmental control. In the 1st session of the 87th Congress, legislation was passed authorizing the transfer of the hospital from Federal ownership to Howard University. Though the actual transfer to Howard University has not as yet taken place, it is anticipated that the hospital under the university's direction will continue to develop, providing improved patient services through modern facilities and expanded training programs for medical and paramedical personnel.

The 1963 estimates propose an increase of \$561,000 in total available funds for obligation of which \$176,000 is in direct appropriation. This increase will provide for the following built-in items: (1) Opening of the full-pay pavilion for patient care; (2) within-grade promotions for classified and employees on reimbursable detail; and (3) annualization of wage board increases which have occurred in 1962.

In fiscal year 1962, Congress approved 104 positions, 99 classified and 5 on reimbursable detail, and made available \$193,000 in direct appropriation for the opening of this unit. Due to more detailed planning and increased costs, the original estimate of \$127,000 for renovations and equipment had to be revised to \$190,000. Because of unavoidable delays, the completion of renovations and the acquisition of equipment could not be accomplished by January 1, 1962, as originally planned, and this area will not be ready to receive patients until September 1, 1962. Request is being made in 1963 for the reinstatement of the 104 positions approved for 1962 and for \$88,000 in appropriated funds in order that this area can be opened to receive patients on September 1, 1962.

The program changes to be financed from this increase are: (1) 35 additional nursing service positions; (2) 1 additional administrative position; (3) improved staffing of nurse anesthetists; (4) expansion of training programs; and (5) increased supply funds to permit the purchase of materials at the same rate at which they are to be used.

Mr. DENTON. Thank you. We will place the full text of your longer prepared statement in the record.

(The complete statement of Dr. Burbridge follows:)

STATEMENT BY SUPERINTENDENT OF FREEDMEN'S HOSPITAL

Mr. Chairman and members of the committee, Freedmen's Hospital, since its inception in 1865, as one of the original 13 installations of the Bureau for the Relief of Freedmen and Refugees, has been a federally operated installation. During this period, 97 years, it has been under the supervision of the War Department, the Department of Interior, District of Columbia, Federal Security Agency, and the Department of Health, Education, and Welfare. The immediate supervision of the hospital's activities has been delegated by the Secretary of Health, Education, and Welfare to the U.S. Public Health Service.

Freedmen's has developed, in its near century of existence, into a hospital rendering service to a representative portion of the population of the District of Columbia and the surrounding counties of Maryland and Virginia. In addition to its patient services, research, and public health functions, Freedmen's Hospital also serves as the teaching hospital for the Howard University College of Medicine.

In the first session of the 87th Congress, legislation was passed authorizing the transfer of Freedmen's Hospital from the Department of Health, Education, and Welfare to Howard University and approving construction of a new general hospital to replace the presently old and outmoded facility. Though the actual transfer of Freedmen's Hospital to Howard University has not been effected, much closer liaison has already been established with the university pending the effective date of the transition. It is anticipated that under university control and ownership the hospital will develop into an institution that the Federal Government and the university will be proud to display as a symbol of advanced thinking in the care of patients, research, and a training center for medical and paramedical personnel.

SOURCE OF FINANCING

The financing of the programs at Freedmen's Hospital is made possible by funds received from the following sources:

1. Federal Government, through direct appropriation.
2. District of Columbia government and other legal jurisdictions for the care of their indigent patients.
3. Individuals, through direct payment or through third-party plans.

PROGRAM FOR 1963

The 1963 estimates propose an increase of \$561,000 in total available funds for obligation of which \$176,000 is in direct appropriation and \$385,000 from reimbursements from non-Federal sources. These additional funds will be used in the following manner:

MANDATORY INCREASES

In fiscal year 1963 there are four mandatory or built-in increases totaling \$312,011 for which the Hospital is requesting obligational authority. Specifically, (a) the opening of the full-pay pavilion to patients, \$283,000; (b) within-grade promotions for classified personnel, \$20,851; (c) within-grade promotions for employees on reimbursable detail from Howard University, \$6,972; and (d) the annualization of certain wage board increases which have occurred during fiscal year 1962, \$1,188. It should be noted at this time that all of these mandatory increases are more than offset by increased reimbursements from non-Federal sources by virtue of anticipated income in the amount of \$385,000 to be earned from patients hospitalized in the full-pay pavilion.

PROGRAM INCREASES

1. Increased staffing

The hospital is requesting the sum of \$154,350 for 35 additional nursing service positions. In fiscal year 1961, a program was begun to bring the nursing service staffing in the general hospital up to a level recommended by the Public Health Service. A total of 55 positions has already been approved under this program and estimates for 1963 include 35 additional positions under the program.

In order to improve the fiscal activities of the hospital, request is being made for an increase of \$6,525 in order to strengthen the staffing in this area. It is the opinion of the Public Health Service that before any revision of the hospital's present fiscal activities may be accomplished, qualified personnel must be obtained in order to administer and to direct this program.

2. Improvement of nurse anesthetist staffing

An increase of three nurse anesthetist positions, at a cost of \$18,400, is being requested as reimbursable appointments from Howard University. The approval of these positions will provide improved coverage in the various areas requiring the services of nurse anesthetists and will eliminate the present problem of canceled operations due to lack of personnel.

3. Expansion of training programs

The hospital is requesting an additional \$84,274 for the expansion of existing training programs and the beginning of two new programs for the training of nurse anesthetists and medical technicians.

A review of the hospital's medical resident programs to determine the full potential for training physicians in the various specialties indicated that 36 additional physicians could be accommodated. Recognizing the national need for trained medical personnel, the hospital is requesting that this expanded program be approved and funds be provided, over a 3-year period, to implement the total recruitment of 36 medical residents.

The hospital is also requesting funds to appoint 3 nurse anesthetist and 12 laboratory technician trainees. The hospital feels that a real contribution will be made toward providing trained personnel in these fields in view of the present problems hospitals throughout the country are experiencing in the recruitment of these types of hospital workers.

4. Maintenance of inventory levels

The hospital is requesting an additional \$31,683 for the purchase of supplies and materials. This amount will not increase present inventory levels but will permit the purchase of supplies at the same rate at which it is estimated they will be consumed.

CONCLUSION

In developing the estimates for Freedmen's Hospital for 1963, the future transfer of Freedmen's Hospital to Howard University was an important consideration. The programs contained in the budget before you will in no way conflict

with the future role of Freedmen's Hospital as a university owned and controlled installation.

I wish to again take this opportunity of thanking this committee, Mr. Chairman, for the continuing interest it has shown in the development of Freedmen's Hospital.

Mr. DENTON. Do you think this is the last time Freedmen's Hospital will be before the committee as such?

Dr. BURBRIDGE. I don't know. I wouldn't think so.

BUDGET PROPOSALS, 1963

Mr. DENTON. The appropriation for 1962 is \$3,736,000 and the request for 1963 is \$3,909,000. That is an increase of \$173,000.

Dr. BURBRIDGE. That is right.

Mr. DENTON. In addition, an increase of \$385,000 is estimated in reimbursement so that the total increase in funds will be \$558,000; is that right?

Dr. BURBRIDGE. Yes, that is right.

COLLECTION OF FUNDS FOR CARE AT FREEDMEN'S

Mr. DENTON. Are you having any better success in collecting money from other States for patients that go to Freedmen's Hospital?

Dr. BURBRIDGE. Our experience in collecting funds from counties, of course, has been improving each year. This is due to two reasons. One is that we have been able to obtain and maintain contracts with several counties, and secondly, each year we have been able to negotiate the contracts at higher per diem rates than prior years. This has improved our collections from these areas. However, we would suspect that in the future this might not be the fact, because the hospitals are being built in these communities which permit them to take care of their own indigent sick. We would think, in the future, our patient load may decrease.

Mr. DENTON. You would be better off if they took care of their own population?

Dr. BURBRIDGE. Certainly.

SPACE RENOVATION

Mr. DENTON. Most of this increase is due to opening up new space that funds were appropriated for last year. What was the original target date for this space to be ready?

Dr. BURBRIDGE. The original target date for this space to have been opened was January 1 of 1962.

Mr. DENTON. Did you meet that target date?

Dr. BURBRIDGE. No, sir. We were unable to meet the target date for several reasons. In the first instance, the appropriation bill was not signed until sometime in September of last year, 1961; and also there were requests that no new programs would be started until full approval had been received of apportionments.

Mr. DENTON. Who requested that?

Dr. BURBRIDGE. Mr. Kelly can answer that.

Mr. KELLY. Because the program change here was so great, Mr. Chairman, both in terms of the timing at which we could accommo-

date this program change and, two, because of the cost factors involved in our more refined program planning, we addressed a letter to the committee to advise them that we would not be able to achieve the original objectives of the budget and that it was going to cost somewhat more to open the new facility than we had originally planned.

Mr. DENTON. This is the TB hospital which made that space available?

Mr. KELLY. Yes.

Mr. DENTON. What date do you plan to open it?

Dr. BURBRIDGE. We are planning to open it now, September 1, 1962, this year.

Mr. DENTON. What was the original cost estimate?

Dr. BURBRIDGE. The original cost estimate was \$343,000.

Mr. DENTON. What is the current estimate?

Dr. BURBRIDGE. The current estimate is substantially the same on the overall. However, the building costs, construction costs for renovating this area were much higher when we got into more precise estimates from the GSA.

Mr. DENTON. How much was it?

Mr. BAIRD. The original estimate was \$70,000.

The current estimate we have from GSA is \$135,000. GSA is presently working toward drafting approved plans.

Mr. DENTON. What went wrong?

Mr. BAIRD. There were major changes when we got into the detailed planning of it. There were certain recommendations we had not originally thought of, such as the inclusion of fire escapes which GSA felt was mandatory; the original estimates for air conditioning were somewhat different than we had originally projected and then the basic cost of things had gone up to some extent during that period.

Mr. DENTON. How many more beds will this provide?

Mr. BAIRD. Fifty additional beds.

EFFECT OF A NEW HOSPITAL ON USE OF CURRENT FACILITIES

Mr. DENTON. If we build a new hospital what will be the effect on operations in this area?

Mr. KELLY. One of the reasons why there was a delay in approving the plan to go ahead with this was the question that the Congress had approved the construction of the new facility and should we go ahead and we had a very considerable amount of consultation with Howard University, with Freedman's Hospital, with the PHS and we concluded that the new hospital would not be available until 1966 in an probability and that we would get a minimum of 4 years' utilization. There was a need both in terms of the community requirements for hospital beds and in terms of the teaching program of Howard University but we made it clear in both the letter we sent to the committee and in our negotiations with the Bureau of the Budget that because we were undertaking this renovation and making available these 50 beds that we did not feel committed to these being included as beds in the new hospital. It is true that in the development of the new hospital we anticipate an evaluation of existing buildings, particu-

larly the TB hospital as to how it can fit into the total plan but the university did not want, and we agreed with them, that they should not be committed to this being included in a particular way, pending the studies by their architect and by the university itself. We did feel that the amount of money that we would invest in this would be repaid by having for at least 4 years 50 additional beds for both the teaching program and community needs.

Mr. DENTON. Why did you figure it would be repaid? Patients do not fully pay their own way.

Mr. KELLY. In this instance there will be a much lesser degree of subsidy involved in the operation of these 50 beds than the hospital generally. The hospital itself is made up largely of very large wards but this will be made up of semiprivate, two-, three-, four-bed rooms.

Dr. BURBRIDGE. One-, two-, and four-bed rooms.

Mr. KELLY. This will be a full-pay pavilion. When I say paid, I do not believe we will collect enough money to repay it, but we will have made an investment in the university's teaching program which we think is cheap at this price because to build 50 beds would be a very expensive operation and this is a cheap production of 50 beds for a period of 4 to 5 years.

INCREASE FOR ADDITIONAL NURSING STAFF

Mr. DENTON. Aside from staffing the new space the bulk of your increase is \$154,350 for 35 additional positions for the general hospital. You have given us a summary explanation. Would you give us a little more detail on why this is necessary?

Dr. BURBRIDGE. Three or four years ago there was a critical survey of the hospital's nursing needs which was endorsed by the U.S. Public Health Service after which a statement was rendered setting forth what the requirements of the hospital were in this area.

We began in 1961 to request, in the phased program, portions of this need from the Congress. This is the third year of that request.

Mr. DENTON. Just what are these 35 positions? Do you want to put that in the record?

Dr. BURBRIDGE. The 35 positions are staff nurses and nursing assistants.

I do not have the exact figure.

Mr. BAIRD. Twelve staff nurses and 23 nursing assistants.

Dr. BURBRIDGE. They are all nursing personnel.

INCREASE FOR TRAINING PROGRAM

Mr. DENTON. You also ask for an increase of \$84,274 for the expansion of the training program. What will you do with these funds and why do you feel this increase is necessary?

Dr. BURBRIDGE. We feel this increase is tremendously important because this will permit the hospital to better utilize its potential as a training institution for medical and paramedical personnel.

The major item in this particular increase of \$84,274 is for 12 positions of medical residents. These are physicians who were training in the specialties to take their specialty boards and be prepared to practice medicine in these several very high-level fields.

We think this is extremely important at this time when this type of personnel is needed so badly in the country.

In addition to that, we are asking for three nurse anesthetists positions to begin this new training program. These are training positions. They will begin a program to train nurse anesthetists, the category of personnel who assist in the operating room with the physician anesthetist. We feel that this is important since we have the facilities for conducting such a program and we should contribute to the country's present inventory of this type of personnel by training some people in our hospital.

NEW HOSPITAL STATUS

Mr. DENTON. What is the status of your new hospital?

Dr. BURBRIDGE. At the present time there are hospital committees that have been formed by the university through the College of Medicine of Howard University to begin the initial phases of planning, looking forward, of course, to the programming of a hospital that will be translated into the architectural phases that will later be developed into blueprints.

At the present time, possibly since we have the chairman of one of our committees here, he would like to speak to that. Dr. Jones is the chairman of the committee in the hospital.

Dr. JONES. Mr. Chairman, the phase of the progress is that, first of all, each of the committees, including the chairman of the faculty, has met with his department and made known to us in a document his ideas of what his department should be like physically as to the number of beds, et cetera. We have tried to, or are now in the process of trying to, fit all of these desires or ambitions into a program which can be translated into an architectural pattern. We are trying to fit the total requirements of each one into the 500-bed allocation.

Mr. DENTON. You have not got your plans drawn yet?

Dr. JONES. No, sir.

Mr. DENTON. Have you asked for any money for advance planning?

Dr. JONES. Not at this time.

Mr. KELLY. We went to Congress shortly after the bill was enacted last year. If my recollection serves me correctly it had to go to the Senate, and the House agreed with it but did not consider it. We got \$250,000 in order that we could do the developmental planning, program planning, and preliminary architectural planning. This program planning involves the requirement to select the site, to identify the space needs, to determine how the existing facilities might be fitted into the new facilities, and we will not be in a position to come for final architectural planning funds until fiscal 1964.

DISPOSITION OF OLD HOSPITAL WHEN NEW ONE IS BUILT

Mr. DENTON. What will you do with the old hospital?

Mr. NABRIT. I would like to say a word about the status of the planning of the hospital. We have \$250,000 for initial steps leading up to this. This is for consultants, for the Public Buildings Service, for survey of site, and travel to hospitals which have been built in the past 5 years.

We have done two things in this program and we are involved in these two things now. One is to set up a committee in the school of medicine to have charge of the development of the educational program. The dean is the chairman and each member of the department is a member. We then have an executive committee within the college of medicine composed of the clinical people, those who work in the hospital and are heads of the departments. Dr. Jones is the chairman.

On both of these committees Dr. Burbridge is a member as well as Mr. Cook, who is the university architect.

These committees are working out programs for each of the departments which is to go into the new hospital, and they are also looking at the new developments in teaching hospitals.

In addition I am happy to say that I have secured the services of Dr. Russell Nelson, Director of Johns Hopkins Hospital. As you know he is past president of the American Hospital Association and he is at present a consultant to the United States and West Germany on the 1,000-bed teaching hospital being built in West Berlin. He is serving us on a normal consulting fee basis, which is all he would accept. This is to help these committees develop the educational program.

It is important that you know this because the Bureau of the Budget has suggested to us, and we have taken this as a directive, that we should not employ architects to draw plans, although we have the funds, until we can say how much this hospital will cost. We cannot tell that until we develop the educational program in conjunction with Dr. Nelson, and Dr. Nelson, who is a hospital consultant, then will be able to help us, together with PBS, in arriving at an estimate of costs.

This process, in the judgment of the faculty and Dr. Nelson, will be finished sometime in the summer. It will take that long to really formulate a program which will meet the requirements of the teaching hospital and at the same time assure the Bureau of the Budget and the Congress that the estimate which we present will be a reasonable estimate.

After this stage, Mr. Chairman, we will then employ a consultant to serve until the hospital is completed.

We will also employ the architect who will design the building in consultation with the consultant. That is the present state of it.

LOCATION OF THE NEW HOSPITAL

Mr. DENTON. Have you determined the location of the hospital?

Mr. NABBIT. That is another area of consideration. At the moment the land we have which is available to the hospital is the land on Fourth Street between W and Bryant next to the Tuberculosis Annex and the medical school and old Freedmen's Hospital.

Mr. DENTON. In back of the ball park?

Mr. NABBIT. The medical school is back of the ball park. Then there is this block, and then the hospital. At present that is all we have.

I don't know what Dr. Nelson and the consultants will decide as to whether or not there is enough area for parking and all the things

which pertain to the new construction, but I have been talking to the District of Columbia Commissioners, to the Redevelopment Land Agency, the National Capital Planning Agency, and getting anybody else's ear I could get with the idea that if we had the Griffith Stadium area we would have a much better site.

I am very happy to say, Mr. Chairman, we are candidates for that stadium.

I have a serious question as to whether or not the hospital, with all the parking and everything else which should go with it, will fit in the block which is presently available.

DISPOSITION OF THE OLD HOSPITAL

Mr. DENTON. What will you do with the old hospital after you get the new one built?

Mr. NABRIT. Two or three things. If we get no more land we may have to tear it down just for parking. That is one of the things.

Another is that if we can get some other land then we might use the old hospital building for health services, some research projects, some of the dispossessed areas, and so on. The university now has no place at all for offices and teachers. There are many other uses we can make of the building.

FREEDMEN'S HOSPITAL, HOWARD UNIVERSITY MERGER

Mr. DENTON. Do you anticipate any difficulty in connection with the forthcoming merger of Freedmen's Hospital with Howard University?

Dr. BURBRIDGE. I do not anticipate any difficulty, Mr. Denton. I think a very reasonable and certainly a workable agreement has been developed between the university and the Secretary's office and it carries those provisions in it which should allay the fears of those employees who had some apprehensions about the transfer. I do not envision any problem in the transition.

Mr. DENTON. Is there anything you wish to say about it?

Mr. NABRIT. I would like to go even further because this is not just a feeling. Secretary Ribicoff and I have discussed this matter. He and I have agreed on the things to be included in an agreement between the Department of HEW and the university to carry out the intent of the legislation of Congress. We have set up committees and have drafted such an agreement almost to its final form.

The Secretary has directed a letter to each employee of Freedmen's Hospital, and I wrote a letter which went along with it stating the intent of the Department and of the university to see that these employees were not only given all of the things which had been set forth in the legislation but it was our intention to go beyond the letter of the legislation and to go into the spirit of it, which was to assure them that their security and working conditions would be satisfactory.

In addition to that, I have had the dean of the college of liberal arts, the director of admissions, Dr. Burbridge, and the nurses working together on a committee with regard to the kind of program which would be in the hospital after it was transferred.

In addition to that I asked the Secretary to authorize us to work with Dr. Burbridge and his staff before the transfer so we can work

out many of these problems which exist, having to do with the question of fiscal problems, the matter of the operation of it, and so on. The Secretary has given us permission to do that and we are now proceeding.

We hope that by the time the formal transfer of the hospital is effected we already will have made those arrangements.

I might make this final statement, Mr. Chairman: It is the position of the university, and HEW is happy we have taken this position, and I take it Dr. Burbridge is happy with this because he said he would go along with it, we have informed them that it is our intention that he shall be director of the hospital, so I think each step would indicate to you better than anything else that we do not anticipate trouble.

Mr. DENTON. Are the employees at Freedmen's Hospital satisfied?

Dr. BURBRIDGE. I would be afraid to say categorically that all employees are satisfied. The employees do not know at this point what all the provisions of the agreement are. The agreement is in the process of being worked out between the Secretary and the university.

However, my own feeling is that the apprehensions that were held by so many employees in the early phases of these discussions have diminished quite a bit. That is about as far as I can go at this time.

TIMING OF MERGER

Mr. DENTON. When do you expect the merger to be effected?

Mr. NABRIT. The outside date is the end of the first month after construction begins. That does not say you cannot do it before.

We would say it would be effected at any time prior to that, that the Department and the university felt conditions warranted the merger. Under the legislation it must take place not later than a month after construction begins.

Mr. DENTON. That means it can become effective any time up to 1966?

Mr. NABRIT. Mr. Kelly and the university used the term 1966, but we do not know. We have given ourselves a safe period. We might have to change it to 1965, we hope, or 1967 reluctantly.

PATIENT LOAD

Mr. DENTON. Would you place in the record, Dr. Burbridge, a table showing the patient load for the last 2 years and for the first 6 months of the fiscal year 1962?

(The information requested follows:)

Patient loads, fiscal years 1960, 1961, and 1st 6 months of 1962

	1960	1961	1st 6 months of 1962
General hospital:			
Adults.....	267.7	278.7	275.7
Newborn.....	31.8	38.6	38.1
Tuberculosis hospital.....	53.4	57.5	57.9
Outpatient visits:			
Clinics.....	57,901	54,865	26,770
Emergency room.....	37,513	39,923	21,112

Mr. MARSHALL. I have no questions.

Mr. DENTON. Mr. Laird?

Mr. LAIRD. I have no questions.

QUESTION AS TO BASIS FOR FUTURE CUTS IN APPROPRIATIONS FOR 1963

I have something I want to say for the record at this point but it has nothing to do with this group.

Mr. Chairman, the transcript of our hearing with the Secretary is being held up and I am quite concerned about it. I would like to direct a question to Mr. Kelly.

(EDITOR'S NOTE.—The portion of the hearing proceeding being referred to appears at p. 129.)

Mr. LAIRD. During the appearance of the Secretary on January 31, 1962, I asked for a list of where a \$100 million cut in the HEW budget would be applied if it was ordered by the Congress or by the executive branch of our Government. This table was to be supplied for the record. The Secretary indicated it would take him some time to work this out.

We have had submitted to us during the course of these hearings information providing for increases in this budget in the neighborhood of \$200 million by departmental witnesses.

I do not believe my question was out of line in view of the fact that the Secretary of Health, Education, and Welfare went through the same process this year. He had started working on cuts in the 1962 appropriations about the same time this bill was enacted and signed by the President.

I believe my request for this information is just as much in line as the request for information regarding possible additions to the budget. We have held up the printing of this transcript now for almost 3 weeks. I am going to ask the clerk to go ahead and send it to the printer with a note indicating the page on which that question is answered and we will print the Secretary's submission when it is received—which I hope is soon.

Mr. KELLY. I would like to comment on this, Mr. Laird. First, I would like to comment on a remark you made, and which I think you were entitled to make because it was in accord with my testimony, which may have indicated we were considering reductions made in 1962 at the time the President signed the appropriation bill.

Mr. LAIRD. I got that from these hearings.

Mr. KELLY. It was perfectly appropriate for you to draw this conclusion because it was in accord with my testimony. I did not know the dates at the time we testified, and the chairman asked I insert in the record the dates that were involved.

When we did the history of the things that led up to the reserves, it developed that October 3 was the commencement of the exercise, the first notification we had which was subsequent to the date that the President signed it.

This is extraneous to your main question, but there was a misunderstanding I left with the committee and I thought I should correct it.

With respect to your question as to how you would make a \$100 million reduction, I would like to say that Mr. Moyer brought this to my attention after I finished a review of the transcript.

I got the transcript back and reexamined it, and I think the transcript will show that no space was provided for a committee insert as is normally done when an insert is requested. While it is true that you asked the question, I think the subsequent interchange between you and the Secretary concluded the question, and the purport of it was that the Secretary indicated he could not make such a tabulation.

Mr. LAIRD. I would like to quote to you if I may. I said to the Secretary:

I would like to have specific figures for specific appropriations and not just a batch of generalities.

Secretary RIBICOFF. I would say you may ask that, sir, but you are asking a set of conditions that I cannot anticipate.

Mr. LAIRD. We have had various people from the administration give us estimates on where they would put \$100 million more if they got it. Now I would like to see——

My point is this: I have a feeling that the President is going to make the same kind of request of the Departments that he did last year. It may be more than \$100 million that he will ask you to reduce your budget. It seems to me that as members of this committee, knowing the policy of this administration to wait until after Congress adjourns and make these reductions, it is only proper that we have the thinking of the Department at this time as to what their priorities would be so far as a similar reduction is concerned if it were requested by the President in 1963.

You went ahead and made these reductions in 1962 after Congress adjourned, and without consultation with any member of this committee. I don't know whether you consulted the Senate committee or not.

Mr. KELLY. We did not.

Mr. LAIRD. I discussed it with the chairman of this committee and he was never informed about this reduction you made. I think he said that the first he knew of it was when he read about it in the newspapers.

I think we have a perfectly legitimate right to see in black and white what your thinking is in this area, just as much of a right to see it in this area as we do on what increases some of your officials would like.

Mr. KELLY. Mr. Laird, I can only answer this way: It would be irresponsible for me to indicate that I could give you a different answer from the answer that the Secretary gave you.

Mr. LAIRD. The Secretary indicated he would give it some thought. I don't think you can hold——

Mr. KELLY. As I read it he said you could not do it.

The circumstance is this: One, what is the thinking now? The thinking now is that there will be no necessity for bringing about reductions below the budget estimate which the President has submitted to you.

Mr. LAIRD. You know perfectly well the budget will be out of balance.

Mr. KELLY. I do not know that. You may.

Mr. LAIRD. You will know by September.

Mr. KELLY. Take into consideration how you would make a reduction of \$100 million. The first thing you would have to know is the amount of the appropriation.

There is a strong tendency for the Department of Health, Education, and Welfare appropriation bill to be in excess of that which the President recommended.

Mr. LAIRD. I am talking from the standpoint of the figures the President recommended. You start from there.

Mr. KELLY. But the first thing you would have to know is the amount of the appropriation.

Mr. LAIRD. You have the figures that the Bureau of the Budget and the President approved. Start from there.

Mr. KELLY. You would also have to know the economic conditions prevailing at the time you make the decision.

The budget is based upon an estimate of the economic conditions presumed to prevail during the budget year.

On the basis of the economic conditions forecast in the budget there would not appear to be reason to make the reduction.

If economic conditions took a downturn the President has indicated he would favor an authorization for an accelerated public works program. This would indicate the reductions, if they had to be made, would not be made in those things which would stimulate the economy such as expenditures for public works.

If on the other hand the economic conditions prevailing were inflationary, and the reason the President was asking for a reduction to be made was to prevent inflation, you would go through a whole series of steps to try and analyze the budget expenditures which may occasion inflation and which by their deferral or elimination would not bring about inflation.

There is a whole series of problems which would have to be taken into consideration.

Mr. LAIRD. These are the generalities I had in mind when I told the Secretary "I would like to have specific figures for specific appropriations and not just a batch of generalities." These are nice broad generalities you are talking about now.

When we got the figures on the increases totaling \$200 or \$300 million these things were not taken into consideration.

Mr. KELLY. But, Mr. Laird, you did not get them from the President or the Secretary.

Mr. LAIRD. We got them from people responsible to the Secretary and the President. You can consult with them on this \$100 million reduction, too, so far as I'm concerned.

Mr. KELLY. We have indicated to this committee that the witnesses appear here as representatives of the President to explain his program and what it will do but they are not denied the right to respond to any question which the committee poses to them. If the committee asked them for their professional judgment of what funds could be usefully expended in their area this constitutes their personal professional judgment, but does not constitute an endorsement by the Secretary or an endorsement by the President. Also it does not take into consideration the vantage point at which they sit. It takes into consideration only the professional views of that particular program witness.

Mr. LAIRD. You will find yourself in the same position you were in this year. I think in all fairness the Secretary should supply that information to this committee.

Mr. KELLY. Mr. Laird, if we find ourselves in that position it will be because the situation that then prevails is a different situation than now prevails or is forecast for that period.

Mr. LAIRD. I had every indication from the Secretary that he took my request seriously. I assumed it would be supplied.

Mr. KELLY. My listening to and reading of the testimony was to conclude that he had indicated to you that he felt he could not provide it.

Mr. LAIRD. Then he should have said he couldn't supply it.

We should not have this volume printed until we get that information, Mr. Chairman.

(The requested information follows:)

The requested information had not been submitted at time of printing—March 16, 1962.

AMERICAN PRINTING HOUSE FOR THE BLIND

WITNESSES

FINIS E. DAVIS, VICE PRESIDENT AND GENERAL MANAGER
JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

EDUCATION OF THE BLIND

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
Grants for education of the blind:			
1. Educational materials.....	400	629	677
2. Expenses related to advisory committees.....		41	41
Total program costs—obligations (object class 41).....	400	670	718
Financing: New obligational authority (appropriation).....	400	670	718

Mr. FOGARTY. The committee will come to order. We have the request for the American Printing House for the Blind. Mr. Davis, do you have a statement for the committee?

Mr. DAVIS. Yes, Mr. Chairman, I have a statement.

Mr. FOGARTY. Go right ahead.

GENERAL STATEMENT

Mr. DAVIS. Mr. Chairman, members of the committee, I am pleased to come before the committee this morning in support of justifications for the appropriations for the American Printing House for the Blind. I should like to read a prepared statement, after which I would like to talk just a little bit about some of the work being done at the American Printing House for the Blind.

The American Printing House for the Blind is a nonprofit educational institution, founded in 1858, and located in Louisville, Ky. Each year the Printing House receives Federal appropriations to be used to provide free braille textbooks and other educational materials needed for the education of the Nation's blind children. Congress first appropriated funds for this purpose in 1879.

Through the Federal act, the Printing House serves two groups of blind school children. Educational materials are provided (1) to students who attend special schools and classes for the blind and (2) to blind students who attend regular public schools and classes with sighted children. This latter group of students was brought within the program of the Printing House by the enactment of Public Law 922 in the 84th session of Congress. Additionally, through passage of Public Law 87-294 (approved September 22, 1961), a reasonable sum is authorized for staff salaries and other expenses relating to the advisory committees of the Printing House, which choose the materials to be developed and supplied through the Federal appropriations.

The funds appropriated are utilized by the Printing House (1) for the payment of the production costs of books and educational apparatus used by blind children, and (2) for staff, consultants, and other expenses involved in administering the act, as noted above. No part of them is used for such items as heat, electricity, maintenance, purchase of equipment, or construction or leasing of buildings. Of the total appropriation request, \$677,000 will be credited to the public schools for the blind and the chief State school officers, apportioned on the basis of the number of blind children registered on the first Monday in January of this year; and the remainder of \$41,000 will be used for consultant and staff services.

1963 BUDGET ESTIMATE

The 1963 budget estimate is \$718,000, an increase of \$48,000 over the amount appropriated for fiscal year 1962. An additional amount of \$10,000 is available under a permanent annual appropriation.

Prior to the enactment of Public Law 87-924 (approved last September), the Printing House had been for several years limited to a maximum annual authorization of \$400,000, plus a permanent appropriation of \$10,000. Although this full amount has been made available every fiscal year from 1959 to 1961, the rising numbers of blind pupils led to a steady decrease of the educational benefits awarded individual recipients. By 1961, the average per capita grant had dropped to \$27.77, the lowest figure in 9 years.

The 1961 amendments to the basic authorizing legislation (1) removed the statutory limitation entirely, and (2) provided that a reasonable sum of the annual appropriation might be used for salaries and expenses relating to advisory committees. Subsequently, Congress provided a supplemental appropriation in the amount of \$270,000 for fiscal year 1962, with the understanding that a maximum of \$41,000 would be used for the newly authorized staff salaries and expenses. The remainder of the supplemental appropriation, plus the full amount of the regular and permanent appropriations (\$410,000), represented an average grant of \$40 for the 15,973 eligible blind pupils. This per capita rate was based on the estimated cost of providing blind pupils with the educational materials equivalent to those supplied sighted children, assuming the level of replacement costs prevailing at the time of a 1958 HEW study.

The request for 1963 is \$718,000, including a maximum of \$41,000 proposed for staff salaries and expenses relating to the advisory committees. The remainder of \$677,000, when taken together with the \$10,000 permanent appropriation and applied to an estimated 17,175

eligible blind pupils, will provide the same \$40 per capita rate provided a smaller number of recipients in fiscal year 1962.

INCREASED ENROLLMENTS

The number of blind children who are being educated in regular public schools, as well as those in special schools and classes for the blind, is increasing each year. The increase is due primarily to the increase in the school population at the primary and elementary levels throughout the Nation. The number of blind pupils follows this general trend.

The 1956 amendment to the basic act of 1879, making eligible all blind children for attendance at any public educational institution of less than college grade, has already increased by more than 7,000 the number of blind pupils served by the act.

The 1963 appropriation will be divided among an estimated population of eligible blind schoolchildren of 17,175. This compares with 15,973 in 1962, 14,762 for 1961, 13,491 for 1960, and 12,024 for 1959.

PRODUCTION COSTS

Although the Printing House has achieved many economies of centralized production, the highly specialized methods employed in the embossing of books for the blind and in the manufacture of other apparatus and materials for their instruction, coupled with the relatively small numbers of the blind, result in high unit costs. The cost of replacing textbooks for the blind is approximately 10 times that of replacement costs for sighted students. Increases in national wage levels and the costs of raw materials have raised the costs of books and materials for the blind, so that in 1963 a per capita rate of \$40 would be necessary to supply the same amount of materials as was provided by the rate of \$31.12 per pupil in 1956.

NEED FOR A VARIETY OF TEXTS AND SUPPLEMENTARY MATERIALS

Present trends in education are toward the inclusion of blind pupils in the regular public schools, either in special classes, or in the regular classes for sighted pupils. So long as the education of blind children was limited largely to centralized schools for the blind in each State, it was fairly easy to serve large numbers of children with a minimum choice of basic texts. Now, with approximately 7,000 additional children representing, in large measure, single placements in individual school systems, a much wider selection of texts is required, with a corresponding increase in unit costs.

The need of blind children for educational materials beyond the basic curriculum of textbooks is widely recognized, and is emphasized by the increasing attendance of blind children in regular public school classes. A variety of texts and supplementary readers is normally used in the education of sighted children. Other educational aids have been developed to enrich the educational experience of the blind. Among these are plastic desk maps and relief globes for individual handling by the children, braille slate and stylus, braille writers, aids for teaching music, and so on. The Printing House has the facilities and special skills needed to develop and manufacture many new types

of educational materials, but if available funds must be used to supply the basic textbooks, there is no room for curriculum enrichment. Supplementary materials are particularly important for blind children if we are to hope to give them an education comparable to that offered seeing children.

CATALOG OF EDUCATIONAL MATERIALS

Mr. Chairman, this is the prepared justification I have. I have our catalogs. I would like to submit to the committee our general catalog of braille publications which you will observe is quite large. It is available to the schools and the classes for the blind.

This is a catalog of recorded educational aids for learning which lists educational materials on tape.

This is a catalog for talking books, books recorded on records for the blind, and is available to the schools and classes.

This is a large type catalog of materials provided for a blind child who can better be educated by the use of large print books rather than being required to read braille.

This one is a catalog of music publications which we make available for the schools and classes to order.

This is a series of tangible apparatus produced at the American Printing House for the Blind, which are available for aids in the education of blind children. It is quite a variety of materials. I am sure you realize that anything we produce must be produced in relatively small numbers instead of as a commercial enterprise.

IMPROVED BRAILLE WRITER

I should like to show you today a lightweight braille writer that has been designed and is ready to go into production at the American Printing House for the Blind. It replaces the Hall writer which we have been manufacturing, and which is much heavier, as you can see. The carriage moves on that writer. In this writer we have a moving die box. It does not extend beyond the side of the writer as it goes. This is a very fine aid. It is quite portable for a youngster.

I am happy that the executive committee of the American Printing House for the Blind, through special gift funds we have had contributed to us, has underwritten the cost of tooling up to produce this writer in the amount of \$95,000. This will make it possible for the Printing House to sell to schools and to classes for the blind and to individual blind people this writer for about \$45. Our present writer we are producing, which is not nearly as good or nearly as practical, sells for about \$65. I am happy to be able to do this for the blind through the American Printing House for the Blind.

This is a very late design, it is the very latest thing in the country. I felt the committee might be interested in seeing one of these braille writers. It is an aid for the education of the blind. It is a type-writer for a blind individual.

Mr. FOGARTY. Does it write braille?

Mr. DAVIS. Yes, it writes braille. It is based on six dots. You will notice this has six dots for the production of braille, this is the space bar, this is the back space for the braille writer. This paper in here is very short. I just put it in there for the purpose of showing

you here. It will use any length of paper that might be desired because it just goes in and right out the other side. You can use any sized paper because you can set the margin to the left. It is a very practical aid. It is the newest thing we have in production at the American Printing House for the Blind. In fact, it is not in production but the research has been completed. We are doing field testing at the Indiana School for the Blind for the next 30 days, but it will be ready for delivery by July 1 this year.

Mr. FOGARTY. Very good. Is there anything else you have to say?

Mr. DAVIS. That is all.

1963 BUDGET PROPOSAL

Mr. FOGARTY. Your appropriation for 1962 is \$670,000, and the request for 1963 is \$718,000. I understand this will provide about \$40 per blind student.

Mr. DAVIS. Yes, sir.

ADEQUACY OF TEACHING AIDS FURNISHED

Mr. FOGARTY. Do you think \$40 is sufficient for good education?

Mr. DAVIS. I think for the year to come, Mr. Fogarty, with the new legislation, with the opportunities for the Printing House to expand as we are doing at the moment, that this will be a great help to them. We are now expanding our program by about \$325,000, in order to produce additional materials for the blind. The supplemental appropriation made this additional money available to the schools this year. It is already a great help to them.

I believe by the time we go through this year with our experience, Mr. Chairman, we can bring to you a justification that will measure up to your expectations. I think for the year it is a practical appropriation, yes, sir.

Mr. FOGARTY. What kinds of teaching aids could be furnished that are not being furnished now because of lack of funds?

Mr. DAVIS. Mr. Fogarty, that is one of our most difficult things. We have the facilities but it has been difficult for us to know the actual needs of the children directly or through the school people who teach these children in the local public schools and in the schools for the blind. This expanded appropriation of last year and the expansion of the act makes it possible for us to have a tangible apparatus committee. This committee shall assume the responsibility of giving us guidance of the type of aids they would like for us to produce for them. It also provides a full-time person to work with this committee to follow out their instructions in the way of research, maybe doing some travel into the schools and classes, getting ideas of his own, accepting ideas from the school people who are actually in touch with the children, then working with the committee. This additional legislation that was approved last year will make it possible for us to have information from the people whom we serve and to know their needs.

Mr. FOGARTY. I was very pleased last year with all of the groups that represent the blind getting together for the first time, was it not?

Mr. DAVIS. Yes. The legislation was very satisfying. It will mean much to the education of the blind.

Mr. FOGARTY. I hope that the same conditions will prevail this year.

Mr. DAVIS. Yes, sir; I am sure they will.

ADVISORY COMMITTEES

Mr. FOGARTY. Will you put in the record the names of the people on your advisory committees, please?

Mr. DAVIS. Yes, sir.

(The information follows:)

MEMBERSHIP OF ADVISORY COMMITTEES

Publications Committee:

Dr. Edward J. Waterhouse, Chairman (expires 1962)

V. R. Carter (expires 1963)

Leo J. Flood (expires 1964)

Donald W. Overbeay (expires 1965)

Roger P. Elser (expires 1966)

Educational Research Committee:

D. W. Olson, Jr., Chairman (expires 1962)

R. E. Long (expires 1964)

Dr. Robert H. Thompson (expires 1965)

Joe R. Shinpaugh (expires 1963)

Miss Stella A. Edwards (expires 1966)

Tangible Apparatus Committee:

Byron Berhow, Chairman (expires 1962)

W. E. Allen (expires 1963)

Jerry R. Reglar (expires 1965)

L. P. Howser (expires 1964)

Miss Dorothy D. Bryan (expires 1966)

Mr. FOGARTY. Have they made any recommendations as yet?

Mr. DAVIS. Yes, we have some recommendations from the Tangible Apparatus Committee. They approved this writer, for one thing, that we are producing. They have approved plastic maps. We have done the research on the plastic maps. We have some of those maps in production, in use actually in the schools. It is our hope in the future now that we will prepare any type of map that they want that will go with the geographical maps that you would find in a sighted book, that you will find in regard to rainfall or growth of wheat or any area in the United States or the world. We will be able to produce for them the type of map a sighted child would be able to see in his geography.

EDUCATION FOR ELIGIBLE BLIND CHILDREN

Mr. FOGARTY. You mentioned that 17,000-some children are eligible for 1963.

Mr. DAVIS. That is our projection for 1963.

Mr. FOGARTY. How many will actually be getting some aid through this program?

Mr. DAVIS. All of those.

Mr. FOGARTY. All of them?

Mr. DAVIS. Yes.

Mr. FOGARTY. We may have 17,000 eligible but many States are not doing a good job and many communities are not doing a good job in seeing to it that educational facilities are provided for the blind.

Mr. DAVIS. Maybe my statement is not quite accurate.

Mr. FOGARTY. I am thinking about my own State. I know some communities are not doing what they should.

Mr. DAVIS. The 17,000 is the projected number we feel will be registered for participation. There is no question in my mind but

what there are other children in the various States who are not registered. This legislation making the children in public schools eligible, the State departments had 2 or 3 years, I think each year they improve.

Mr. FOGARTY. I think they are improving, but I have seen, when I visited some of these special classes, children 11 and 12 years of age just getting into the first grade of school.

Mr. DAVIS. Yes.

Mr. FOGARTY. There should not be any excuse for that, should there?

Mr. DAVIS. They should be in earlier.

Mr. FOGARTY. That is the local community's responsibility to do something for these children?

Mr. DAVIS. Yes.

Mr. FOGARTY. Thank you very much. Mr. Denton?

Mr. DENTON. I have no questions, but I want to say that I want to get over to see you sometime. I have not done so yet.

Mr. FOGARTY. Mr. Marshall?

EXPENDITURES FOR ADVISORY COMMITTEES

Mr. MARSHALL. I note you have in your request for 1963 an item of \$41,000 proposed for staff salaries and expenses relating to the advisory committees. How much will you spend in this particular category this year?

Mr. DAVIS. We have available \$41,000.

Mr. MARSHALL. How much of that will you spend?

Mr. DAVIS. It is difficult for me to know at the moment. I would hesitate to say. We have had some difficulty getting the type of personnel we would like. We want the best people we can have. We have found that many of the people in special education are already employed. They are interested in what we have to offer, but they have a commitment, they want to wait. We have not been able to get the type of personnel that we hope we will be able to have by the end of this year for the year to come.

Right now we are going on the basis of doing some of it from our own personnel that we have at the Printing House, but that is the thing that makes it difficult for me to say to you how much.

What we do not use for administrative purposes will be turned back, but within the year we will have for you a program that will be fully staffed, will be fully functioning. We have been doing our very best, but we have made progress.

Mr. MARSHALL. This is an entirely new feature of your work that was put in in 1962?

Mr. DAVIS. Yes; we have had no experience in it. It came as a supplemental, something almost beyond our expectations, that we were very grateful for, but it has made it difficult for us to get it in action in the way we would like to serve.

Mr. MARSHALL. That is all.

BRAILLE WRITER TESTING AT INDIANA SCHOOL FOR BLIND

Mr. DENTON. I want to ask more about that typewriter. That is being tried out, I understand, at the Indiana School for the Blind in Indianapolis; is that right?

Mr. DAVIS. Yes, sir.

Mr. DENTON. What kind of cooperation do you have with the State on that?

Mr. DAVIS. Very fine; excellent.

Mr. DENTON. Could you tell me just how that typewriter differs from any other typewriter?

Mr. DAVIS. Yes, sir; I think I can do that. The typewriter we have now has a moving carriage, the whole carriage moves across, the carriage that we roll the paper onto. In the present Braille writer, the Hall writer, the carriage moves out to here.

Now, in this new machine, we have a moving die box. This moves across. Of course, we have not taken the noise out.

Mr. DENTON. Does it write Braille?

Mr. DAVIS. Oh, yes, it writes Braille. It is a good machine and is well accepted.

Mr. DENTON. What does a machine like that cost?

Mr. DAVIS. This machine will sell for about \$45. I did explain to the committee that the American Printing House for the Blind, through special gifts to the Printing House, was able to underwrite the tooling up for the production of this machine. It cost \$95,000 to tool up to produce the machine; these funds were made available through the Printing House. Now we can sell it for about \$45 instead of \$65 or \$70.

Mr. FOGARTY. That is this one?

Mr. DAVIS. Yes.

Mr. DENTON. Who paid the \$95,000?

Mr. DAVIS. It is through special gifts to the Printing House to aid the blind.

Mr. DENTON. Does it operate by the touch system?

Mr. DAVIS. Yes.

Mr. DENTON. How does it differ from the ordinary typewriter?

Mr. DAVIS. It is based on Braille. Braille is based on six dots. We only have six keys and a space bar, a backup bar. This moves the spacing of it. It is a very simple thing, but it is based on Braille instead of the regular print writer we would use. It is the same as a typewriter to the blind; the same as a regular typewriter to sighted people.

Mr. DENTON. Is this the first typewriter that prints Braille?

Mr. DAVIS. No, sir; we have had a Braille typewriter, but this is a new model, the latest design, quite revolutionary in comparison to the Hall writer.

Mr. DENTON. How long have you had it up at the Indiana School for the Blind?

Mr. DAVIS. Just this week. It has started for a 30-day field test.

Mr. DENTON. Do you have a patent on this?

Mr. DAVIS. No; there is no particular need. It is a small production item at best, Mr. Denton.

Mr. DENTON. Off the record.

(Discussion off the record.)

Mr. FOGARTY. Mr. Michel.

INCREASED NUMBERS OF ELIGIBLE BLIND CHILDREN

Mr. MICHEL. I notice in the last several years the increase of students, blind children who are eligible for the program. How does the percentage of blind children compare to the total number of children in the country? How does it stack up in recent years? Has it been declining or increasing?

Mr. DAVIS. No, sir; I would say it has been increasing, along with the population. But up until recently there was a new cause of blindness, retrolental fibroplasia. We found the cause of it, oxygen administered to premature babies. More premature babies were being saved but at the same time they were losing their sight. There is now quite an improvement across the Nation on that procedure. We feel our increase will probably be along the lines of the population increase. It is about the same as it has been in the sighted world. It runs about the same.

Mr. MICHEL. Have you made some projection of figures as to what the eligible student number might be 5 years from now?

Mr. DAVIS. Yes; we try to project, and we try to look ahead, and we project every year as best we can. We found ourselves a little bit conservative. We have been just a little bit low in our projection every year, but we have tried to be practical as the best information we can get from the schools.

Mr. KELLY. There are two things that I think are important. One is that the law was modified several years ago to include other children than those in residential schools. At first it was only the children that were in residential schools for the blind that were included. Then it was extended to organized classes for the blind in public schools. Then it was extended to children who were attending regularly sighted classes that met the definition of blindness. This in part accounted for the increase in the eligible numbers.

The other is, as Mr. Davis pointed out, the advent of this retrolental fibroplasia, which has produced a number of blind children who are now entering the schools. For a period of years that will enlarge the population. The projections are that it will have a downturn in the number of enrolled children. I think that is scheduled to occur something like 1966, when the downturn should begin on the enrollment.

Mr. FOGARTY. Is there still any important area where the law should be liberalized?

Mr. KELLY. You get into the question as to how far you should go in connection with partially sighted children, as Mr. Davis pointed out. We do use large print books for children that are partially sighted but meet a legal definition of blindness. Then there is a group of children that do not meet the legal definition of blindness but are unable to cope with usual textbooks that are not provided for.

Mr. MICHEL. What do your figures show we will have 5 years from now in the area of eligible students?

Mr. DAVIS. That will be registered?

Mr. MICHEL. Yes.

Mr. DAVIS. We feel we will perhaps not be over the 20,000 mark. That is the trend as we see it today.

Mr. MICHEL. Thank you.

Mr. FOGARTY. Thank you very much, Mr. Davis.

Mr. DAVIS. You are welcome.

GALLAUDET COLLEGE

WITNESSES

DR. LEONARD M. ELSTAD, PRESIDENT

DR. GEORGE DETMOLD, DEAN OF THE COLLEGE

LLOYD H. JOHNSON, BUSINESS MANAGER

GLEN HARVEY, ASSISTANT BUSINESS MANAGER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	\$1,110	\$1,294	\$1,418
Positions other than permanent.....	29	43	53
Other personnel compensation.....	3	4	4
Total personnel compensation.....	1,142	1,341	1,475
12 Personnel benefits.....	82	94	103
21 Travel and transportation of persons.....	8	7	7
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	40	44	51
24 Printing and reproduction.....	1		
25 Other services.....	55	43	56
26 Supplies and materials.....	239	246	305
31 Equipment.....	28	39	57
Subtotal.....	1,596	1,815	2,056
Deduct quarters and subsistence charges.....	22	22	23
Total obligations.....	1,574	1,793	2,033

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	209	225	237
Full-time equivalent of other positions.....	5	7	9
Average number of all employees.....	208	222	236
Number of employees at end of year.....	209	225	237
Average salary of ungraded positions.....	\$5,538	\$5,947	\$6,136

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. General administration.....	94	101	118
2. Resident instruction and departmental research:			
(a) Gallaudet College.....	690	815	910
(b) Kendall School.....	130	141	158
3. General library.....	63	86	90
4. Operation and maintenance of physical plant.....	320	340	388
5. Auxiliary services and noneducational expense.....	277	310	369
Total obligations.....	1,574	1,793	2,033
Financing: Advances and reimbursements from non-Federal sources.....	-500	-537	-623
New obligational authority (appropriation).....	1,074	1,256	1,410

NOTE.—Advances and reimbursements from non-Federal sources are from tuition in part from the District of Columbia under D.C. Code, title 31, sec. 1008, and other tuition fees.

CONSTRUCTION

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
24 Printing and reproduction.....	\$7	\$14	0
25 Other services.....	50	148	\$236
26 Supplies and materials.....	26	38	-----
31 Equipment.....	27	98	96
32 Lands and structures.....	2, 106	511	160
Total obligations.....	2, 216	809	492

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Design, supervision, etc.....	43	141	209
2. Construction.....	2, 014	635	107
3. Major repair and preservation of buildings and grounds..	159	33	176
Total obligations.....	2, 216	809	492
Financing:			
Unobligated balance brought forward.....	-37	-345	-137
Unobligated balance carried forward.....	345	137	-----
Unobligated balance lapsing.....	2	-----	-----
New obligational authority.....	2, 526	601	355
New obligational authority:			
Appropriation.....	2, 512	601	355
Reappropriation.....	14	-----	-----

GENERAL STATEMENT

Mr. FOGARTY. We have now Gallaudet College. Dr. Elstad, we will place your prepared statements in the record and you may proceed. (Dr. Elstad's prepared statement follows:)

STATEMENT BY PRESIDENT, GALLAUDET COLLEGE, ON SALARIES AND EXPENSES, GALLAUDET COLLEGE

Gallaudet College is the only institution in the world devoted to the higher education of the deaf. It was established by act of Congress in 1857 and was authorized by Congress in 1864 to grant degrees. Public Law 420 (83d Cong.) revised its charter and defined its relationship with the Federal Government. It has always been supported largely by annual Federal appropriations. For the fiscal year 1963, \$1,410,000 is requested.

ACCREDITATION

Gallaudet College was first accredited (by the Middle States Association of Colleges and Secondary Schools) on May 1, 1957, after many years of effort toward this goal. Three annual progress reports required by the association as a condition of accreditation have been approved. In 1967 the college will be evaluated again.

ENROLLMENT

Fall enrollment rose from 391 students in September 1960 to 493 in 1961, an increase of 26 percent. Projections of enrollment indicate a continuing rise to approximately 1,000 students within the next 5 years.

PROGRAM

A small college of liberal arts and sciences, Gallaudet offers the courses of study common to such institutions. In addition, it operates a preparatory department for the great majority of its new students, who have not been able to secure a full senior high school education in their home States. A graduate department of education, established in 1891, supplies teachers to schools for the deaf. Affiliated with this department is a laboratory school which offers primary and secondary education to deaf children, chiefly from the District of Columbia. Deaf children of nursery school age are given preschool education in the college's hearing and speech center.

Although the education of the deaf presents uniquely difficult problems, Gallaudet endeavors continually to improve the quality of its offerings, in order to give its students an increasingly better preparation for the world into which they will graduate. A new curriculum for preparatory students was instituted this year, in an effort to raise the levels of English, mathematics, and science at which students enter the freshman class. An office of institutional research has been established to study the effectiveness of the college's curriculums, and to design experiments in new and possibly more effective ways of teaching.

RESEARCH

Research into deafness is one of the purposes of the college, as they are defined in the bylaws of its governing board. No other center in the world has Gallaudet's opportunities for research in this field. These opportunities are a population of deaf people of all ages; access to other populations of the deaf throughout the United States; and a competent and enthusiastic faculty eager to bring the resources of their separate disciplines to bear upon the problems of the deaf students in their classes.

The college operates four research offices: institutional, linguistics, social and environmental, and psychoeducational. The counseling center, the hearing and speech center, and the department of physics normally conduct research in addition to their other activities. A faculty committee on research stimulates and coordinates research projects.

At present 21 projects are listed as recently completed, 17 as ongoing, and 18 in the stage of proposal. Projects are classified as audiology, communication, education, genetics, linguistics, psychiatry, psychometrics, sociology, and space medicine. Most of the college's research is supported by grants from such agencies as the American Council of Learned Societies, the National Institutes of Health, the National Science Foundation, the Office of Education, the Office of Vocational Rehabilitation, and a few private foundations. The college also cooperates with other universities and agencies (Harvard University, and University of Kentucky, the National Institutes of Health, and the U.S. Naval School of Aviation Medicine) in conducting research into deafness.

REQUEST FOR INCREASED FUNDS IN FISCAL 1963

The total increase for 1963 is \$243,000 and the increases are requested in the following categories:

1. *Salary increases.*—The sum of \$34,320 is requested for increases in faculty salaries in accordance with the salary schedule in force at the college. An increase of \$23,415 is requested for other employees who are graded and paid on a scale comparable to that adopted by the Federal Government and the annualization of three maintenance positions allowed for only part of 1962.

2. *Employee benefits.*—An increase of \$9,390 is requested for college contributions under the Civil Service Retirement Act, the Federal Employees Group Life Insurance Act, and the Federal Employees Health Benefit Act. Benefits under these acts have been extended by Congress to Gallaudet College employees.

3. *Strengthening faculty and staff.*—An increase of \$76,765 is requested for strengthening faculty and staff including 12 additional positions as follows: Associate professor of psychology and clinical psychologist for the counseling center; associate professor of education; associate professor of mathematics; instructor in preparatory and college speech; instructor in social studies; dormitory supervisor; classroom instructor for Kendall School; financial clerk for the business office; secretary for public relations; fireman and 2 food service positions. In addition, additional funds are requested for part-time positions for the educational programs.

4. *Operation and maintenance.*—An increase of \$82,125 is requested to meet the costs of operating an expanding physical plant for a growing enrollment, including communications, utilities, administration, maintenance, food supplies, and equipment. Among the increases is \$18,000 for improvement of quality of food.

5. An increase of \$16,500 is requested to improve the allowance for materials and equipment to supplement increases in faculty by strengthening the institutional program through more provision for tests, laboratory supplies, furniture for faculty office, etc.

Increases requested for fiscal year 1963 are partially offset by nonrecurring costs in 1962 of \$2,000 and by an anticipated increase in reimbursements of \$87,000, primarily derived from tuition and fees related to increased enrollment.

STATEMENT BY PRESIDENT, GALLAUDET COLLEGE, ON CONSTRUCTION, GALLAUDET COLLEGE

CONSTRUCTION PROGRAM

Congress has approved a master development plan for the expansion of the physical plant and facilities at Gallaudet College. This plan has been developed with the dual aims (1) of providing more adequate facilities for all phases of the college program and (2) of expanding the physical plant to accommodate an enlarged student body.

The sum of \$9,561,000 has been appropriated for the building program to date. These appropriations made funds available for nine major buildings, maintenance apartments, a maintenance building, athletic fields and stands and related equipment, an addition to the speech and hearing building, grading and outside services and planning funds for an arts building. In addition in the fiscal years 1961 and 1962 \$70,000 was appropriated for special educational equipment and \$392,000 for renovation and repair of older buildings on the campus.

CURRENT STATUS OF CONSTRUCTION PROGRAM

The current status of all stages of the program is as follows:

In stage 1 the women's residence hall and the physical activities heating plant building have been completed and are in use.

In stage 2 the classroom-laboratory building (except for certain items of laboratory equipment) and the speech and hearing center and adjacent outside services, walks, and grading have been completed.

In stage 3 the cafeteria and service building and the men's residence hall have been completed and were occupied in September 1959. Contracts for the construction of the athletic fields and stands were completed in the spring of 1961.

The fourth stage which calls for construction of an auditorium, classroom and dormitory buildings for Kendall School, maintenance group apartments and building, field house, and completion of roads, walks and grading in that areas for the most part are well along toward completion. General Services Administration reports as of February 1, 1962, that the auditorium is 51.4 percent complete, the Kendall School 92.7 percent complete, the field house 50 percent complete and the roads, walks and grading in that area about 90 percent complete. The 1962 appropriation provided for planning and construction of a speech and hearing center extension and planning for an arts center. Program statements have been developed on these buildings, initial discussions have been held with architects and formal planning activities are expected to be initiated in the near future.

ALTERATION AND RENOVATION OF OLDER EXISTING BUILDINGS

In 1958 the college conducted a survey of the condition of the older buildings on the campus. Many of these buildings are structurally sound and suitable for preservation and can be adapted to play an important, continuing part in the overall programs of the college.

If prudent and selective care is taken at this time, many years of service can be derived from their continuing use. Such deficiencies as primitive and potentially dangerous lighting systems, inadequate heating, plumbing, and ventilation, and defects in outside walls and roofs need to be corrected in order to avoid intensive damage.

COSTS OF ALTERATION AND RENOVATION

Preliminary studies indicated that a full program of major repair, preservation and renovation projects would require appropriations of \$700,000 to \$1 million. It is planned to approach these needs on a multistage basis.

In 1960 an appropriation of \$150,000 was made to initiate the first step in the renovation and repair program to existing buildings. This involved the college hall (men's dormitory) with the business office on the first floor and interior work on the president's residence. This work has been completed.

The 1961 construction appropriation provided for the sum of \$150,000 to initiate the second stage of the program of renovation and repair to existing buildings. As a result Fowler Hall (women's dormitory) and the chapel hall building have been renovated and reoccupied.

The 1962 construction appropriation provided the sum of \$92,000 to initiate the third stage of the program of renovation and repair to existing buildings. This work is to be done to Kendall Hall, Dawes House, and exterior repairs to the president's house. Plans are now being prepared, and the contract for this work should be let within the next 60 days.

1963 REQUEST

The sum of \$100,000 is requested for 1963 to cover the fourth stage in the repair, alteration, and renovation of older buildings to be retained as permanent parts of the college. This request would provide funds for the renovation and repair to houses No. 2 and No. 3 both of which will be used as faculty residences and residence No. 7 which will continue to be used as a dormitory. Also included in the above amount are funds for the relocation of the health department from Dawes House to chapel hall. The amount of \$200,000 is also requested for plans and specifications for two dormitories, one to house 175 men and one to house 175 women. Enrollment has grown faster than originally foreseen by the college's officials. The original master plan for construction envisioned an enrollment of 700 in the late 1960's. As now projected, enrollment will pass 700 in 1963, and will probably exceed 1,000 in 1966. The amount of \$55,000 is also requested for special educational equipment for the needs of the recently completed classroom-laboratory building. This will provide equipment for the physics and chemistry department not provided at the time of construction of the classroom-laboratory building.

Concurrently, the college is initiating a study which would form the basis for a new master development plan to meet the physical facility needs of the college for the next decade.

Dr. ELSTAD. Galludet College is the only institution of higher learning in the world devoted exclusively to the education of the deaf. Since its foundation in 1857, it has been supported in part by annual Federal appropriations. The college has been accredited by the Middle States Association of Colleges and Secondary Schools since 1957, largely as a result of the expansion and improvement of curriculum and facilities which has received the support and encouragement of the executive branch and Congress in recent years.

Gallaudet now offers to deaf students a full undergraduate education in the liberal arts and sciences. In addition, college preparatory studies are offered to deaf students who have not been able to obtain a full senior high school education in their home States. Nursery education for deaf children is provided in the college's hearing and speech center; primary and secondary education in the Kendall School, which serves as a laboratory school in the college's graduate program for training teachers of the deaf. Supporting all its activities is a growing program of research into deafness and the problems it imposes. The college now operates four research offices to manage its research projects, which are conducted in such fields as audiology, communication, linguistics, education, psychometrics, and genetics. These projects are supported largely by grants from outside agencies and foundations.

1963 REQUEST

Under "Salaries and expenses" we are requesting the sum of \$1,410,000 for operation. This amount which is an increase of \$154,000 over the 1962 appropriation will provide for seven new faculty positions, two administrative positions, two food service personnel, and one maintenance position, and increased educational, administrative, maintenance, food supplies, and equipment costs. These increases will provide for increased enrollments, strengthening of the preparatory program, and general improvement in the instructional and service programs of the college and the Kendall School.

Under "Construction" the sum of \$355,000 is requested to further the program of renovation and repair of older buildings, provide plans and specifications for two dormitories whose need has been demonstrated by recent enrollment increases and projections of these increases and for new laboratory equipment in the recently completed classroom-laboratory building not provided for when originally constructed. Concurrently, the college is initiating a study which would form the basis for a new master development plan to meet the physical facility needs of the college for the next decade.

FACULTY SALARY SCHEDULE

Mr. FOGARTY. Do you have any trouble getting qualified people for your faculty?

Dr. ELSTAD. No.

Mr. FOGARTY. How can you get qualified people for your faculty with the salary scale in operation today?

Dr. ELSTAD. We feel we have a fine salary schedule today. It is based on a study made at six similar colleges up in New England and on the eastern seaboard. With that salary and the attractiveness of the campus as it now exists and the program which is presented, we do not have difficulty getting staff.

CAMPUS LANDSCAPING

Mr. FOGARTY. Someone brought to my attention the fact that your campus is not very attractive, that you could use some money to get it landscaped.

Dr. ELSTAD. We feel that will come. It has been included in our request but has been left out.

Mr. FOGARTY. Did you make a request for funds for landscaping?

Dr. ELSTAD. Yes, that has been in the request.

Mr. FOGARTY. Who cut it out, the Department or the Bureau of the Budget?

Mr. KELLY. The Department added it and the Bureau of the Budget cut it out.

Mr. FOGARTY. Have you been out there recently?

Mr. KELLY. Yes, sir.

Mr. FOGARTY. Is it the eyesore that somebody told me it was?

Mr. KELLY. There is no question that you get a lot of raw land out of this amount of new construction.

Dr. ELSTAD. The new construction shows up there very well in that picture. The old does not. We will have a new picture down to-

morrow. It is a very attractive new setup. It might be advisable to postpone the larger part of the landscaping until the program is completed and then it could be done as a package job.

Mr. FOGARTY. Maybe that is so, too.

Dr. ELSTAD. It is needed.

Mr. FOGARTY. I did not see it myself, Doctor. I just heard that today.

ENROLLMENT INCREASE

How do you account for the rapid increase in your enrollment?

Dr. ELSTAD. There is nothing that succeeds like success. These children write back home, so in the residential schools there has been a definite new interest. I think the schools themselves have caught the spirit of advanced education. Then in the past there has been a feeling on the part of some of the day schools for the deaf where about 9,000 young children attend that Gallaudet is not the place to go because we use the language of signs, but they are finding out today that that argument is not good. We are getting more and more inquiries weekly from that group.

I think already we have had 60 requests for examinations from those schools. That will help us expand. We are not recruiting. We are accepting those who qualify.

Mr. FOGARTY. How do they qualify?

Dr. ELSTAD. They have to take entrance examinations which are given throughout the United States the last week in April. These are sent in and are corrected. We think we will have 400 take them this spring and approximately half is the average that qualify.

DEAFNESS AS AN ENTRANCE QUALIFICATION

Mr. FOGARTY. What about the question of qualification as far as deafness is concerned?

Dr. ELSTAD. We require an audiometer reading for each student, and we present these to our hearing and speech center. They analyze them, and if they feel there is a question, they so state to the school from which they come and we get further information. We do not want to become a college for hard-of-hearing students.

Mr. FOGARTY. That was not the purpose.

Dr. ELSTAD. No, that was not the purpose.

Mr. FOGARTY. Sometimes I imagine you have a difficult time making that decision between hard of hearing and deafness. I would think; is that right?

Dr. ELSTAD. That is right. Of course, in some schools a little child has been accepted at 5 years of age, and when they had a hard time testing it, the child started through school, went all the way up in that school, and then we tell them that child has too much hearing to go to college. They say that he spent his whole life in the school for the deaf and he would not get along in a college for hearing students. Perhaps they are right on that. Perhaps he should get his education in the college even though it may seem to be a hard-of-hearing case.

Mr. FOGARTY. You do not accept their definition of deafness?

Dr. ELSTAD. No; we feel if they, with the use of a hearing aid, can hear and understand spoken language, they ought to go to a hearing college.

FOOD SERVICE

Mr. FOGARTY. I know food service is a common complaint with many boarding schools.

Dr. ELSTAD. That is right.

Mr. FOGARTY. It has been brought to my attention that complaints have been made about the food served out there. Are you getting enough money to feed your students well?

Dr. ELSTAD. We are asking in this appropriation for an increase of 10 cents per capita for a better quality of food. We are also asking for \$17,000 because of the increased enrollment.

Mr. FOGARTY. Do you think that is enough?

Dr. ELSTAD. We originally asked for 20 cents per capita.

Mr. FOGARTY. Who cut you?

Mr. KELLY. The Bureau of the Budget cut that.

Dr. ELSTAD. The idea is to add it next year.

Mr. FOGARTY. If you asked for it, you must think you ought to get it.

Dr. ELSTAD. We think it should be done now.

Mr. FOGARTY. How much would that amount to?

Dr. ELSTAD. \$18,000.

Mr. FOGARTY. That would raise it 20 cents per capita?

Dr. ELSTAD. Yes; from 80 cents to a dollar.

Mr. FOGARTY. It would raise the quality of the food?

Dr. ELSTAD. That is right. It would give a little more choice in salads and perhaps a little better meat. Some of these boys are pretty big, football players, they like food.

Mr. FOGARTY. Some of the girls complain about food.

Dr. ELSTAD. Girls are harder to please than boys. I have two, I know.

SALARY ADJUSTMENTS

Mr. FOGARTY. What did you get last year for salary adjustments?

Mr. KELLY. I do not recall the figure, but I know we made the survey and established a new salary schedule, and the Congress provided the funds to carry it out.

Dr. DETMOLD. \$56,000.

Mr. FOGARTY. I think we were told a year ago that there were some inequities and this was to straighten out those inequities.

Dr. ELSTAD. Yes, sir; especially those who worked through the summer did not get enough for their summer work.

Mr. FOGARTY. This is squared away?

Dr. ELSTAD. Yes, sir.

Mr. FOGARTY. It is no longer a problem?

Dr. ELSTAD. No.

Mr. FOGARTY. Are you satisfied yourself with the distribution of this increase?

Dr. ELSTAD. Yes, sir. Are you not satisfied as head of the staff? Do you not feel it is a good salary schedule?

Dr. DETMOLD. Yes, I do.

Mr. KELLY. We hope to keep up this comparability study with the six selected institutions and, as the need arises for adjustments, to maintain comparability, to request funds in order to accomplish it.

Mr. FOGARTY. When you get a certain amount of money like that, how do you distribute it. Do you establish some criteria? Are you the one who does it?

Dr. DETMOLD. The President and I.

Mr. FOGARTY. Just the two of you?

Dr. DETMOLD. Yes, sir. We do not make across-the-board raises but try to distribute the money according to our estimate of the merits of the teachers involved. A pay scale is established within each range, and we try to place people at steps on the range in accordance with their responsibilities.

DEAF TEACHERS

Mr. FOGARTY. Do you have any problem along these lines with your teachers who are not deaf and those who are deaf?

Dr. DETMOLD. No, sir.

Mr. FOGARTY. What is the distribution of the faculty? How many are not deaf and how many are?

Dr. ELSTAD. Out of 109 teachers, approximately 35 are deaf.

Mr. FOGARTY. About one-third?

Dr. ELSTAD. Yes. The only difference would be that it is more difficult for a deaf teacher to get a master's degree, which they have to have to become an assistant professor or associate professor and a full professor. It is more difficult for them, of course, to get a Ph. D., which is required for a full professorship.

Dr. FOGARTY. Why is it more difficult?

Dr. ELSTAD. Because they have a difficult problem. A deaf person getting that degree in a hearing college or university, faces a difficult situation.

Mr. FOGARTY. That is the only place they can get it?

Dr. ELSTAD. Yes. We have a deaf man on sabbatical leave now getting his Ph. D. in English. He is taking a half year off.

Mr. FOGARTY. Would it be possible for your college to do that?

Dr. ELSTAD. We do not grant doctor's degrees yet. I think it will be a long time. Do you not think so?

Dr. DETMOLD. Yes, I do. Probably never. I think you should have a strong university to grant a Ph. D., and I do not think this college will ever become a university.

Mr. FOGARTY. A deaf teacher, then, is up against it if he has to go to a regular school?

Dr. DETMOLD. There are very few deaf people in this country with Ph. D.'s. We have one on our staff and a couple more coming along soon. Aside from them, I know of only one in the country.

Mr. FOGARTY. Deafness sometimes is considered more of a handicap than blindness, is it not?

Dr. ELSTAD. Very much.

Mr. FOGARTY. Not many people realize that or talk about it.

Dr. ELSTAD. No. When you look at a deaf person, he looks the same as anybody else. Until you speak to him, you do not realize there is that handicap. Helen Keller made the statement that if she had her

life to live over again, she would give more time to the deaf because of the two handicaps deafness is the greater handicap.

Mr. FOGARTY. And this greater handicap shows up in trying to get an education; is that right?

Dr. ELSTAD. Yes, but great strides are being made and greater strides are going to be made. Our research is studying various ways of improving learning processes for deafened persons. Do you not feel we are going to get ahead faster on this?

Dr. DETMOLD. I hope so very strongly.

SCHOLASTIC AID FOR DEAF SEEKING HIGHER DEGREES

Mr. FOGARTY. Is there anything you can suggest for these people who are deaf and really have a good mind and perhaps would make good teachers? Is there anything you can suggest as to how they can get their doctorate?

Dr. DETMOLD. Those on our faculty we do encourage to enter the universities nearby, and we usually make the initial approaches with the department chairmen at these universities to get them established. We help them along whenever we can, and when the time comes when they have to establish a year of residence for their doctorate, we provide them with sabbatical leave.

Mr. FOGARTY. That is good. Have you ever tried to get a local university to try to specialize in this area rather than——

Dr. DETMOLD. Catholic University has a number of our faculty enrolled in various departments.

Mr. FOGARTY. I am not an educator, but I am thinking if one school sort of specialized, it would give these people with a bright future a better chance of getting a doctorate. Is there anything you can do to encourage Catholic University or George Washington or anybody else to do a better job than is being done or give these people a better opportunity than they have at this time?

Dr. DETMOLD. We have been encouraging the universities that have been at all receptive to the thought of having deaf people in the student body. Some universities will not accept them. We have had a bad experience with them. Catholic University has accepted them and has been pleased with them and takes them into more of their departments. The same is true with the University of Maryland. At American University we have had successes and we have had failures.

Mr. FOGARTY. Maryland has also cooperated?

Dr. DETMOLD. Yes.

Dr. ELSTAD. My secretary is married to a deaf man on our staff. He has a master's degree from American University. He started work on his doctorate, and the head of the department, which is history, said, "You can't go on and do graduate work; you are deaf; you could not do this." He had never had any contact with a deaf person taking graduate work.

It took a long time to get him even willing to consider him. But he has been accepted now because we could point to successful cases.

Mr. FOGARTY. Is he there now?

Dr. ELSTAD. Yes.

Mr. FOGARTY. How is he doing?

Dr. ELSTAD. He has just started the second semester. That is what happens. Unless they have had experience, they think it is impossible.

Of course, we are giving for the first time this fall a master's to deaf teacher trainees. Up to this time we have only given them undergraduate training as teachers, but now we are adding them to our graduate department. This is a step forward for the deaf teacher.

BUILDING PROGRAM

Mr. FOGARTY. You have had a considerable building program out there. Have you run into any real problems?

I am talking about the buildings that have already been built.

Dr. ELSTAD. You mean whether they are well-built and functional?

Mr. FOGARTY. Yes.

Dr. ELSTAD. We find them very functional. I think we have been really successful. Everyone who sees them feels that way. We hear nothing but praise.

Mr. FOGARTY. I am sorry to say I have not been out there. I must get out there soon. Are they all air-conditioned?

Dr. ELSTAD. No.

Mr. KELLY. They are not really designed for significant occupancy in the summer months.

Dr. ELSTAD. Individual units have been put in those rooms that are used during the summer. It works pretty well.

Mr. FOGARTY. I do not know how you can work here in the summertime without air-conditioning. It might have been a good thing if it was never included in this Capitol, we might get out at a decent time if we did not have air-conditioning.

Dr. DETMOLD. We air-condition classrooms and offices that we use in the summertime, but we have not been able to air-condition dormitory rooms. It causes a few sleepless nights.

Mr. FOGARTY. Why?

Dr. DETMOLD. Because of lack of funds.

Mr. FOGARTY. Did you ever make a request for the funds?

Dr. ELSTAD. For the auditorium, and that is to be an air-conditioned building, which will be completed for graduation, we hope.

Mr. FOGARTY. But not for dormitories?

Dr. ELSTAD. No, we never requested that. I do not remember any complaints from students. They are not there during the hottest part of the summer.

ARTS BUILDING

Mr. FOGARTY. I notice that you requested funds to construct the arts building. Did the Department cut that out or was it the Bureau of the Budget?

Dr. ELSTAD. The Bureau of the Budget.

Mr. FOGARTY. There is still a need for this building?

Dr. ELSTAD. Oh, yes, sir. The three departments which are to be housed in this building are currently using makeshift space in basements and so forth which is really not adequate for these activities.

Mr. FOGARTY. How much would this new building cost?

Dr. ELSTAD. On the basis of our most recent planning, we think it will run about \$660,000 including equipment. This is in addition to the planning funds available this year.

ENCOURAGEMENT OF YOUNG DEAF STUDENTS

Mr. FOGARTY. Do you have any plans to encourage young deaf children to think that a college degree is desirable, that they ought to be working toward a college degree? We went over this with the Labor Department about the problems of the unemployed in our country. I am talking about general education now, about those who do not have a high school education or did not finish college. The statistics are really high as far as the jobless are concerned in those without a high school education. Is anything being done to encourage these younger people?

Dr. ELSTAD. It is interesting to note that those schools that send large delegations to Gallaudet College have a number of deaf teachers on their staff, and these little children look up to these deaf instructors and try to emulate them. For instance, California has 58 students on the campus. It has a strong corps of deaf teachers. Illinois has 22, Indiana has 15, each having a very fine group of deaf teachers on the staff. Minnesota has 19. I know they have a strong group there. I was there for 13 years.

Mr. FOGARTY. What about Rhode Island?

Dr. ELSTAD. Two.

Mr. FOGARTY. I knew it was not very good. You do not consider that good, do you?

Dr. ELSTAD. No; but their thought has been that when they complete your school for the deaf in Providence, they are to go to hearing high schools. That is the philosophy. They try it for a year or two, do not do very well, and when they are 16 or 17 years of age, out they go. That is the end of it.

Mr. FOGARTY. Something ought to be done about those young people.

We are trying to do something in the regular school systems now, trying to do something about dropouts in the general education field. Why do we not do something about these who are deaf? Is that a local problem?

Dr. ELSTAD. That is local, and it could not come from Gallaudet College. All we can do is make our college so good they will want to come there, and that is why the enrollment is increasing. They come in large groups to visit. We will have up to 150 deaf children from all over the United States coming down to visit. They see it and want it and it helps a little.

Mr. FOGARTY. We only have two in Rhode Island?

Dr. ELSTAD. Two this year.

Mr. FOGARTY. Last year it was just one, was it not?

Dr. ELSTAD. Langlois, a French boy.

Mr. FOGARTY. He was going there to be a teacher?

Dr. ELSTAD. Yes; that is what he wanted to do. He has had a rough time physically. He was ill last year and in the hospital. He is a very bright boy.

PROPORTION OF DEAF CHILDREN PURSUING COLLEGE WORK

Mr. FOGARTY. How many deaf children go on to college as compared to all children?

Dr. DETMOLD. About 15 percent right now compared to 40 or 45 percent of the general population. Proportionately it is far too few deaf children going on to college.

Mr. FOGARTY. Is there anything you can do about it?

Dr. DETMOLD. Make our college education attractive and as effective as possible so we will attract more and more graduates from the deaf schools.

Mr. FOGARTY. Are you satisfied that the information is getting right down to the elementary school systems in the country that we have a college for the deaf?

Dr. ELSTAD. In the residential schools there is no question about it.

PUBLICIZING GALLAUDET COLLEGE

Mr. FOGARTY. Not one person out of a hundred knows about Gallaudet College, that is, the man on the street. That is nothing against the college. It never has been given much publicity.

Dr. ELSTAD. There has been some criticism of our college, that we are taking too many. They say you cannot take that many and get good quality. Our testing program verifies the fact that these are good students. They come to us, we bring them in 3 weeks early before the rest of the students come back. We give them orientation for 3 weeks. When college opens, they are melded into the group very well. That has been a help.

Mr. FOGARTY. Why would not this be a good subject for a nationwide television program?

Dr. ELSTAD. We did have a show on Monday night on WRC. My secretary called your secretary.

Mr. FOGARTY. I did not see it.

Dr. ELSTAD. The USIA had a picture of our college that took nine prizes for the best documentary educational film of the year and took second place for the Oscar. "Beyond Silence" is the name of it. It was staged right on our campus. It has been very popular throughout the country. We send that out as fast as it is asked for. We will get a copy of this one on Monday night and we will send that out to the various schools. That helps.

Mr. FOGARTY. But I would think a lot of television stations would use it as a public service.

Dr. ELSTAD. Yes; I think they will.

Mr. FOGARTY. I think something like that might be effective.

Dr. ELSTAD. Our Public Relations Department is functioning very well and sends out releases all over the country, which I think is partially responsible for the increased enrollment.

Mr. FOGARTY. So about the only thing you can offer is to make the college more attractive?

Dr. ELSTAD. Sell itself that way.

Mr. FOGARTY. I do not think that is enough. I think you have to do more than that. I do not think by making the college more attractive it is going to get down to the people. It may get to a few people in education, but not to the families of these deaf children, I do not

believe. You know much more about that than I do. But I never heard of Gallaudet College before I came to Washington, giving myself as an example.

Dr. DETMOLD. I think it is known to the guidance counselors in public high schools.

Mr. FOGARTY. We do not have half enough guidance counselors today. We should be doing more of that in the school system than we are doing. We are not getting to the solution of the problem that way.

Dr. DETMOLD. In the past these people kept deaf high school students out of Gallaudet.

Mr. FOGARTY. Why?

Dr. ELSTAD. Because we use the sign language.

Dr. DETMOLD. And we did not give as full an education as we do now. This was before we were accredited.

Mr. FOGARTY. Now you have both?

HEARING AND SPEECH CENTER

Dr. ELSTAD. Yes; and we have a hearing and speech center. Their lipreading ability is improved and their use of residual hearing is improved. The objection now to the use of the signs has faded away. They say, "You teach them speech, too?" Yes. They would not believe it before.

Mr. FOGARTY. I noticed in your justification you say "Hearing and speech." I have never seen it used that way. I have seen it used as "Speech and hearing."

Dr. DETMOLD. Our emphasis is on hearing.

Mr. FOGARTY. Yes; you just turn them around. It does not make any difference. It is the same thing.

Dr. DETMOLD. We discussed it and we felt the hearing was of more importance.

Mr. FOGARTY. We have been talking a lot about speech and hearing defects in the last 3 or 4 years. It attracted my eye when I saw it that way.

Dr. DETMOLD. This last year 25 percent of our new students came from public high schools. As recently as 5 years ago it would be very rare to find any student with this kind of background at all. It is only very recently that the public schools are sending their students to us.

ADMISSION STANDARDS

Mr. FOGARTY. What about your standards for admission? Are they getting tighter or looser, or what?

Dr. ELSTAD. They are not getting looser. We try and bridge the gap between the average school for the deaf program, which goes approximately up to the 10th grade or upper 9th grade. The jump from that to work in the freshman class is so severe that most children from schools for the deaf cannot take it. We take the children to our campus and give them this 1 year of concentrated effort and try to bridge that gap. We think it works very well.

Mr. FOGARTY. Does everybody else agree with you or is it just your opinion?

Dr. ELSTAD. They are beginning to agree with us. Some think they cannot bridge that gap in 1 year. Our counseling center has a tutoring service that goes with it, and each student is given the work required to get him up. If he is weak in mathematics, he gets a concentrated effort in mathematics. They are all weak in English because of the nature of the handicap. They get that all the time.

They are given what they need to qualify them for freshman work. We think it is working out quite successfully. The increased enrollment would indicate that because it has been almost phenomenal in the last 2 years. We had to go to the Bureau of the Budget for funds for two more dormitories. If anybody had predicted that 10 years ago, I would have said it would have been impossible because there would not be the demand. We sent a telegraphic poll to the schools of the United States asking how many will take the examinations this fall? How many will take them next fall? Approximately 400 students each fall. If 50 percent are accepted, that is 200 each year, which adds up to 400 students in 2 years.

FACILITIES TO CARE FOR PROJECTED ENROLLMENT

Mr. FOGARTY. What is going to happen in 10 years?

Dr. ELSTAD. In 10 years we predict 1,600, a studentbody of 1,600. When I came to the college in 1945 it was 156.

Mr. FOGARTY. Are you all set to take care of the 1,600?

Dr. ELSTAD. No.

Mr. KELLY. No.

Dr. ELSTAD. We have to have a new building program.

Mr. KELLY. We have included in this budget funds to plan two dormitories, because it is crystal clear we cannot await the development of a revised master plan; but we have recognized that we have now outlived the original master plan for which the facilities have been provided and are in the process of developing a new master plan on a perspective of 10 years hence.

Mr. FOGARTY. When will it be ready?

Mr. KELLY. It should be ready for the 1964 budget consideration.

Mr. FOGARTY. Is that a 10-year plan?

Dr. ELSTAD. Yes.

QUALITY OF FACULTY

Mr. FOGARTY. Are you satisfied that all your faculty are real experienced teachers in the field of the deaf?

Dr. ELSTAD. No; we cannot say that because we have to recruit most of our teachers from hearing colleges and universities, and with the exception of the deaf teachers, they have to learn a new means of communication. They come to us with a good educational background, they know their subject matter, but they have to learn the language of signs and then apply it in the classroom. Some do this with facility. Others take a little longer.

Mr. FOGARTY. Some may never do it?

Dr. ELSTAD. Some may never do it. Of course, we will weed them out.

Mr. FOGARTY. I am not speaking just specifically about teaching the deaf, but I know some teachers who have been teaching for 40 years

in the public schools and should never have started in the first place.

Dr. ELSTAD. That is right.

Mr. FOGARTY. In my own trade as a bricklayer, I know of some that have been laying brick for 40 years that should never have started also. I guess that happens in all fields.

Dr. ELSTAD. Yes, it does.

SECOND PREPARATORY YEAR AT GALLAUDET

Mr. FOGARTY. What ever happened to Dr. Gallagher's suggestion that a second preparatory year at Gallaudet be established to provide a way for more deaf students to qualify for college training?

Dr. ELSTAD. That has been suggested. It would more or less make it a 2-year senior high school course. We have questioned whether the Congress would approve that and whether the State schools for the deaf would like to see their work cut into to this extent. It would be an implication that they could not give their students a good education. We might have antagonism.

Mr. FOGARTY. I had this information from my own State, which is why I asked it.

Dr. ELSTAD. They think it could be and should be done.

Mr. FOGARTY. They thought it might help.

Dr. ELSTAD. That is very interesting.

POSITION OF GALLAUDET TO PROVIDE SECONDARY EDUCATION

Dr. DETMOLD. I think we could do a better job of secondary education than the schools because we have a larger population of students to work with. If you try to give an education to five or six students it is very difficult to do a good job. Yet if we do this sort of work we are undercutting schools for the deaf and we cannot ask them to build up their own secondary education if we go into competition with them. We face something of a dilemma in this respect.

Mr. FOGARTY. Do you have any plans for doing anything about this?

Dr. DETMOLD. We have been talking about accepting marginal students for a summer session program or remedial program in English and mathematics where they are most likely to be weak, to accept into this program students we would not normally accept into the preparatory class and give them an opportunity to show over the summer if they might be able to take hold in a regular prep course of studies. This is our next step, I think.

Mr. FOGARTY. Do you have any priorities in your teaching program?

Dr. DETMOLD. English has first priority. The ability to read, write, understand, and think in English is the most important predictor of college success at Gallaudet. We spend most of our time working on this and trying to devise effective means of doing it and doing it better.

Mr. FOGARTY. That is also true in general education.

Dr. DETMOLD. That is right.

Mr. FOGARTY. Dr. McMurrin, in his first appearance before this committee had two projects he was especially interested in. One was Project English and the other was Project Talent. Your first is English. What is next?

Dr. DETMOLD. Mathematics.

Mr. FOGARTY. What is next?

Dr. DETMOLD. Science.

Mr. FOGARTY. English, mathematics, science?

Dr. DETMOLD. That is right. I think our problems are not unique in this respect, as you have pointed out, but they are certainly intensified. You see them very clearly, whereas they might become obscured in an ordinary college or university.

ENROLLMENT

Mr. FOGARTY. How many do you have enrolled in the institution?

Dr. ELSTAD. We registered 492 this fall. That includes the preparatory department and 4 years of college.

Mr. FOGARTY. Does that include Kendall School?

Dr. ELSTAD. No, sir. There are 92 students in the Kendall School and 18 to 20 in the preschool.

Mr. FOGARTY. How many in the undergraduate school and how many in the graduate school?

Mr. KELLY. 420 undergraduates and 35 graduates for a full-time equivalent of 455 students.

Mr. FOGARTY. How many are in the preparatory department?

Dr. ELSTAD. 148.

Mr. FOGARTY. How many of these do you think will go into college?

Dr. ELSTAD. What is the loss on the preps?

Dr. DETMOLD. I think we estimate all of these will go into college. We started out with a larger number, but we think at the end of the year we will have this many full-time students left.

Mr. FOGARTY. What did you start out with and what will you end up with?

Dr. DETMOLD. About 170.

Mr. FOGARTY. How many take 2 years?

Dr. DETMOLD. Very few, because the philosophy of our prep department is that if a student cannot make progress in the first year probably we would not be able to do anything with him in 2 years. We have no 2-year programs set up. We have admitted a few students back into the prep department after they failed it the first time around; especially foreign-born students who have an exceptional difficulty with English.

PREPARATORY CURRICULUM

Mr. FOGARTY. Have you changed the training program for the preparatory students in recent years?

Dr. ELSTAD. Yes. Will you tell them about the new plan?

Dr. DETMOLD. We have a new curriculum for preparatory students this year which is designed, we hope, to give them better preparation in English, better preparation in mathematics and science, the very things we are looking for, by the time they are admitted as freshmen; and so far we have in no regard done worse and in some respects we have made some surprising advances over anything that we have done earlier. We are, for instance, experimenting with programmed instructions in mathematics courses, with surprisingly good results, especially for students who have had no experience in mathematics before.

Because we are faced with the necessity of giving elementary algebra, intermediate algebra, and plane geometry in sequence we are using a system whereby a student studies one course throughout the day until he has completed the equivalent of a full year course in that subject. This arrangement has worked out very well as far as we can tell.

Dr. ELSTAD. Some say they are bored with it. We get complaints from an isolated student that he gets bored studying one thing all the time. Before he had five subjects to study each night. He had to please the professor who was the hardest on him. We would do that lesson first. The next subject he might not study. At the end of the year he often failed two or three of those. This time he has no chance. He has to study the same amount for each subject. We think it is worth the trial. It is a 2-year experiment.

DEAF AUTOMOBILE DRIVERS

Mr. FOGARTY. Do deaf people generally drive?

Dr. ELSTAD. Drive cars?

Mr. FOGARTY. Yes.

Dr. ELSTAD. I just returned from a symposium.

Dr. DETMOLD. The National Symposium on the Deaf Driver.

Dr. ELSTAD. It was in Denver, Colo. The records prove they are better than average hearing drivers.

Mr. FOGARTY. How do they react?

Dr. ELSTAD. They use their eyes more because they have to. They say the reaction of the deaf driver from the brake to the accelerator is quicker than that of the hearing person. Their weakness is with the sirens, fire sirens and things like that. I understand there is an invention on the market so when the fire siren sounds there is a wavelength that tunes to an instrument on the dashboard which takes care of that, too.

Mr. FOGARTY. Do you have problems at the school with your own professors?

Dr. ELSTAD. Not professors. We would rather the students did not have cars, but they have them. Our professors would be handicapped without cars because they live far from the campus.

Securing insurance is occasionally a problem because some companies feel that any handicap adversely affects driving. Barring them cuts down what they think is a chance of losing money on a bad risk. If they would only study the figures they would learn. That is why this symposium has helped. We could gather in one printed booklet all the facts on this.

Mr. FOGARTY. Is that booklet published?

Dr. ELSTAD. No. Last week the symposium was held. Vocational rehabilitation put this on as a program grant.

Mr. FOGARTY. How many cars do you have out there?

Dr. ELSTAD. On the campus?

Mr. FOGARTY. Yes. I refer to Government cars.

Mr. JOHNSON. We have no Government cars. Our college takes title and owns all of the cars. We have the regular plates but we have the advantage of buying our trucks and passenger cars through the GSA.

Mr. FOGARTY. Is there any restriction on your deaf professors driving your cars?

Dr. ELSTAD. One exception, and that is our deaf instructors cannot drive the buses. We have two 12-passenger buses, one 40 and one 30 and only hearing persons can drive these.

Mr. FOGARTY. Is that a local law?

Dr. ELSTAD. It is the insurance company. I brought this up at the symposium.

They do not feel that it should be necessary. Our insurance policy has a clause in it. Our deaf instructors feel that we of all people should back the deaf driver. When a coach wants to take a basketball team of 12 players down 30 miles we won't let him drive, and when they ask why we tell them it involves insurance protection. Other than that there isn't anything.

(The following was subsequently submitted for the record:)

Having had an opportunity to examine our insurance policy and on the basis of fuller information provided us, we find no definite clause in the policy precluding deaf drivers from operating our vehicles. We know that the insurance companies openly discourage such a practice, however.

As a matter of general policy and because of our responsibilities to parents of students and to exert every precaution toward safety, we have engaged only hearing employees, properly qualified, to operate our school buses and 12-passenger limousine in the transportation of the students of the college and the pupils of the Kendall School to any athletic event or educational trip where this type of transportation is used.

We do not feel this to be any reflection upon the ability of a deaf person to properly operate a motor vehicle, as on many occasions we have written letters of recommendation to the department of motor vehicles in assisting these persons to obtain drivers' licenses.

LIPREADING

Mr. FOGARTY. Do you require people to learn to lipread before the sign language?

Dr. ELSTAD. This all started before they came to us. They started in schools for the deaf and I think all children today start out orally. They attempt to learn speech and to read the lips. Efforts are made. It goes along that way until the fourth, fifth, sixth, seventh, eighth grade and then if they fall back in lipreading they may be put in manual classes. When they come to us they are in college for a college education. We feel our only duty is to improve their speech, if possible, increase their efficiency as lipreaders and be sure that every bit of residual hearing they have is used to the maximum. We think we are doing that very well.

Mr. FOGARTY. It comes easier to some people than others, does it not?

Dr. ELSTAD. I should say so.

It is educated guesswork. If you are a good guesser and can sit back and nonchalantly take what comes, a key word may bring out the meaning. A group came up from New Orleans. During a conversation the chaperone said to a boy: "You are late for your date." She said it five times. He could not get it because the only word that shows in that sentence is the word "for" and that does not mean anything. She made the mistake. When she said it the second time, without success, she should have said, "Mary had been waiting for him a long time." They have to patiently wait for the key word. Then they fill in the rest. It is difficult.

SIGN LANGUAGE

Mr. FOGARTY. What about the sign language?

Dr. ELSTAD. That is good. If I say "My sister and I are going to the theater this afternoon," he cannot see the word sister on the lips. When he sees the sign for "My sister" he sees it. He does not see it here on the lips. Our college lecturers are just as fast and effective as in hearing colleges. Without the sign language they would not be. I had a father and mother come down to visit their son. Both had been educated in a school for the deaf. The father and mother graduated from the same school. The boy was sitting between them. I asked him how he was getting along. He said for the first time he was relaxed. He said he could go to college without so many pressures. His father and mother read his lips. They said they understood. In the past they were against signs. Now they agreed with the son. That was fine. Once they have seen it work they can see the advantages. This is a college education they are getting now and communication must be accelerated.

We must throw out all these communication barriers that keep them from learning.

RESEARCH ACTIVITIES

Mr. FOGARTY. Do you have any research going on?

Dr. DETMOLD. Yes, sir. We have a great deal of it. Last August we listed about 35 projects we had recently completed or had going in a variety of fields such as audiology, communication, education, psychometrics, linguistics, psychiatry, this supported largely by grants from outside agencies, such as NIH, Office of Education, National Science Foundation, a couple of small foundations.

Dr. ELSTAD. We got \$10,000 this morning from a local foundation for any research that could not be supported by Federal funds or other foundations.

Mr. FOGARTY. What are you going to spend that for?

Dr. DETMOLD. I think for our office of institutional research, which is a new office we established to study our academic efficiency, to research teaching methods and provide accurate measures of students' achievements and to look into these new teaching devices such as teaching machines, other program devices, and see if they cannot be adapted to use with our deaf students. There is a considerable amount of just plain machinery and equipment involved in this.

Mr. FOGARTY. Isn't a research program a help to get the faculty?

Dr. ELSTAD. Yes.

Mr. FOGARTY. I am comparing this with hospitals. We find when we establish research programs in hospitals it attracts doctors and helps to hold them.

Dr. DETMOLD. It makes the place alive, we are told.

Mr. FOGARTY. Do you think you are doing enough?

Dr. DETMOLD. Our research has grown very rapidly. We think we are doing all we can at the moment. I think in the future we would like to have one or two more research positions approved for our faculty. Right now we have actually two, but with these two we are able to attract research grants and with the grants pay investigators to work under the supervision of these research professors.

Mr. FOGARTY. It seems to me that that would be a good thing, especially in a school like this.

Dr. DETMOLD. We have it in our plan.

Mr. FOGARTY. Generally when a research grant is applied for, you have two or three people who are doing most of this work. Do you have three or four specialists?

Dr. DETMOLD. We have two full-time positions.

I think there are 15 or 17 members of the faculty who are involved in research to some degree with released time from their teaching.

If they get a grant then they can work part time in research, part time in teaching, and with the money we get we can add to the teaching staff to cover the vacancies.

MOVIE OF DEVELOPMENT OF DEAF BOY

Dr. ELSTAD. There is one grant now pending. It is a movie of a deaf boy growing up. It would be a tremendous thing to send this film program to the schools for the deaf and the PTA's around the country. The grant has been turned down because in the request all of the money was to come from the grant. The college invested no sponsor funds. There isn't much we can do. We do not know just how we will be able to satisfy this requirement so they will give us the grant. That is the problem. That type of movie shown in the right place would give a tremendous boost to the thing you were discussing earlier and that was how are we going to get these people interested in a college education.

Mr. FOGARTY. Why can't you ask for the money for that purpose?

Dr. ELSTAD. We are trying.

Mr. FOGARTY. Is there anything wrong with that?

Mr. KELLY. No, the problem if I understand what Dr. Elstad was referring to, there was a requirement by law for financial participation of the applying institution. This participation was not shown and the grant was not allowed.

Mr. FOGARTY. What did they ask you for?

Mr. KELLY. Their general average runs around 30 percent from the applying institutions.

Dr. ELSTAD. We can charge for space in buildings on a rental basis and some staff members will work on it part time. The script is already written. About all we can do with it is to show the people where to take the pictures and when. We think it is an important project.

Mr. FOGARTY. How much money will it cost?

Dr. ELSTAD. It is about \$20,000.

Mr. FOGARTY. In matching? You need \$20,000 to match this grant?

Dr. ELSTAD. Yes.

Mr. FOGARTY. You think it is a worthwhile grant?

Dr. ELSTAD. Very much so.

Mr. FOGARTY. How will it help?

Dr. ELSTAD. Because parents especially and teachers of little children seldom get their sights above that of the little child if they can see that child going up through a college and into a successful job, perhaps they will work a little harder along the way.

Mr. FOGARTY. Why don't you get NBC or ABC or CBS to do it?

Dr. ELSTAD. WRC did this one for us.

Mr. FOGARTY. They could do a half hour broadcast on something like that.

Dr. ELSTAD. We had that the other night. We are getting copies. We will use that. We need more, something specifically aimed at this.

Mr. FOGARTY. If you need more, why don't you go out and get it?

Dr. ELSTAD. We are trying to get foundations to underwrite these things, but so often they say—

Mr. FOGARTY. These people ought to do it as a public service.

Dr. ELSTAD. The Government has its money in here and private foundations do not like to mix their money with Government funds. That is why it is difficult for us to get grants from private foundations. They say, Let the Government pay for it. They are paying for most of our bills, anyway.

Mr. FOGARTY. I would think one of the networks would pick up the tab for this.

Dr. DETMOLD. They have done some things for us in the past. They ran a half hour showing of a play we did at Gallaudet College as a public service feature and I think this showing on Monday night was considered a public service.

ADEQUACY OF SPACE

Mr. FOGARTY. Doctor, you said in 10 years you think you will have about 1,700 students?

Dr. ELSTAD. 1,600 or 1,700.

Mr. FOGARTY. Do you have space enough here in Washington or do you think we ought to establish two or three other schools, for instance, one in the South and one in the West and one in the Midwest?

Dr. ELSTAD. We have adequate land space, not the building space.

Transportation being what it is today and Washington being what it is I think this is a fine place for them to get their education. We have 92 acres.

Mr. FOGARTY. What is wrong with establishing one on the west coast or in the south, say, 10 years from now?

Dr. ELSTAD. You are supposed to have 600 college students to make it a good college, are you not, Dr. Detmold?

Dr. DETMOLD. That is considered a desirable size, a desirable and economical size, about 600 or 700. Then you go on up to about 1,000 for your next best size to work with, but unless transportation was a real problem for students, I would not see any advantage in several colleges for the deaf in the country. I do not think we would entertain any objection against other colleges; anything that would help deaf people we would be interested in.

EDUCATIONAL PROGRESS

Mr. FOGARTY. One of the complaints I get every once in a while is—and you are not alone in this—Admiral Rickover complained about the Office of Education a couple of years ago, and said that they have not had any new ideas in 20 years. Every once in a while you hear that said about your institution; that you are still living in the horse and buggy days.

Dr. ELSTAD. We haven't changed our method of education since Abraham Lincoln signed the charter in 1864, according to a story

that was in the Baltimore Sun some years ago. I complained to the writer and said, "You know when you make a statement like that you take it out of context." I asked again whether he said it or not. He said "yes." I said, "You haven't been on our campus, even though you live in Baltimore." He is a friend of mine. I said, "You have never been on our campus" and he said "No." My answer then was, "Then the statement means nothing." "Well," he said, "I will come over sometime."

I think if this man visited today he would feel differently about it.

Dr. DETMOLD. We had an entirely new curriculum that went into effect in 1952 and this was good enough, with our faculty, to win us accreditation in 1957.

Mr. FOGARTY. I thought that was a good sign. That is what I said in answer to one of these people who raised that question. I could not see how you could be accredited unless you were doing a pretty good job. Maybe it is not good enough yet. You are not satisfied with it, are you? I do not think you would be a good dean or administrator if you were ever satisfied.

Dr. ELSTAD. We are not satisfied.

Mr. FOGARTY. I do not know of any school of higher learning in the country that is satisfied.

Dr. DETMOLD. We were commended by the Middle States Association for our experimental attitude at Gallaudet. I would like to think we can always keep that.

Mr. FOGARTY. That is good. I think we all want to do as much as we can for these people.

I have taken up much more time than I expected. Mr. Denton?

HISTORICAL BACKGROUND OF GALLAUDET

Mr. DENTON. Did you say that school was established in 1864?

Dr. ELSTAD. The college; yes.

Mr. DENTON. It was Columbia Institution for the Deaf.

Dr. ELSTAD. Columbia Institution for the Deaf, and then it became Gallaudet College. It had those names.

Mr. DENTON. What was it in 1864?

Dr. ELSTAD. The National Deaf-Mute College, I think, then.

Mr. DENTON. Then about 1870 it became Columbia Institution for the Deaf.

Dr. ELSTAD. Yes.

COST PER STUDENT

Mr. DENTON. How much tuition do you charge and how much do you charge for room and how much do you charge for board?

Dr. ELSTAD. The total charged any student today is \$900. That includes \$350 for tuition and \$550 for maintenance. The average paid by all students this past year is around \$800 and the actual cost runs over \$3,000, so the balance is the Federal subsidy.

Mr. DENTON. I understood it was about \$4,000.

Dr. ELSTAD. The latest figure is \$3,400. After the last salary increases, which makes up a big part of it—

Mr. DENTON. Page 81 shows \$2,160,000 paid and I figured around 500 students.

Mr. KELLY. What we have done, Mr. Denton, is we have recently inaugurated a financial accounting system at Gallaudet very similar to that conducted by the best of the universities and we have developed a cost factor for education and research and for room and board for each type of student, the Kendall School, the ones in teacher training, the ones in preparatory college, and the ones in college so that these figures are a refined development of that cost by the type of education.

Mr. DENTON. Which figures?

Mr. KELLY. The ones Dr. Elstad referred to. We are pleased with this development. We think we really now know what we are investing in the educational process.

Mr. DENTON. Let us put that page in, or should we?

Mr. KELLY. It can scare a lot of people. Actually, we have made comparisons of these costs with other institutions and these compare favorably.

Mr. FOGARTY. I think it is all right to put in.

(The information requested follows:)

GALLAUDET COLLEGE

Comparison of student tuition and maintenance charges and expenses, fiscal year ended June 30, 1961

	Number of students	Income		Cost	Cost per student
		Split of fees	Total		
Tuition:					
Gallaudet College:					
Regular session.....	329	\$350	¹ \$124,777.91	\$841,275.18	\$2,557.07
Graduate school.....	40			70,868.32	1,771.71
Summer session.....	42	(²)	5,690.00	9,309.10	221.65
Nursery school:					
Regular session.....	9	600	3,232.00	16,021.53	1,780.17
Summer session.....	17	(²)	752.00	2,464.89	145.00
Kendall School:					
Regular session.....	93.25	750	69,609.89	145,399.22	1,559.24
Summer session.....	8	100	600.00	2,519.52	314.94
Total.....			204,661.80	1,087,857.76	
Housing:					
Gallaudet College:					
Regular session.....	323	220	71,060.00	154,623.71	478.71
Graduate school.....	39			18,669.74	478.71
Summer session.....	24	70	1,704.00	1,669.14	69.55
Kendall School.....	88.6	295	26,137.00	47,214.41	532.89
Faculty and staff:					
Housing.....	4	³ 615	3,660.02	20,976.99	⁴ 1,824.66
Room.....	23	200	4,584.76	6,254.14	271.91
Other.....			275.00		
Total.....			107,420.78	249,408.13	
Board:					
Gallaudet College:					
Regular session.....	323	330	106,590.00	129,697.29	401.53
Graduate school.....	39			15,660.04	401.53
Summer session.....	23	80	1,840.00	1,343.64	58.42
Kendall School.....	88.6	250	22,150.00	23,430.31	264.45
Faculty and staff.....	43	300	14,224.07	26,054.01	⁵ 401.53
Snack bar.....			23,650.22	25,209.07	
Other.....			1,576.60		
Total.....			170,030.89	221,394.36	

¹ Includes various fees as well as tuition.

² Specific.

³ Average.

⁴ \$1,824.66 is cost for quarters of faculty and staff members. Cost of housing for the president's house, included in the total of \$20,976.99, has been deducted in arriving at unit cost.

⁵ The method of costing of food per faculty and staff members is the same as footnote No. 4.

Summary of cost per student

	Tuition	Room	Board	Total
Gallaudet College:				
Regular session.....	\$2,557.07	\$478.71	\$401.53	\$3,437.31
Graduate school.....	1,771.71	478.71	401.53	2,651.95
Summer session.....	221.65	69.55	58.42	349.62
Nursery School:				
Regular session.....	1,780.17			1,780.17
Summer session.....	145.00			145.00
Kendall School:				
Regular session.....	1,559.24	532.89	264.45	2,356.58
Summer session.....	314.94			314.94

Mr. KELLY. We have made comparisons of these costs with small institutions that are of a similar enrollment and I do not believe they are out of line.

STUDENTS ATTENDING GALLAUDET

Mr. FOGARTY. Before I forget it, Doctor, is there any reason why the list of people attending should not go in the record?

Dr. ELSTAD. No. We would be glad to have them go in.

Mr. FOGARTY. What about the people? Would it make any difference to them?

Dr. ELSTAD. I see no objection.

(The requested information follows:)

GALLAUDET COLLEGE, WASHINGTON, D.C.

GEOGRAPHICAL DISTRIBUTION OF STUDENT ENROLLMENT, 1961-62

Alabama (9):

Baldwin, Hiram Jerry
Bowman, Donald Carl
Crook, Lottie Mae
Desmarais, Camille Leonile
Desmarais, Marjorie Crosby
Gilliam, Floyd Buford
Hampton, Charlotte Dale
Shaneyfelt, Francis Van
Yelverton, Sandra Janet

Arizona (9):

Armstrong, Beatrice Justina
Bateman, Guy Richard
Corbett, Robert Burton
Evans, Larry Dane
*Fowler, Carolyn Eula
Goodson, James Granville
Kizer, Jerry Lee
Lopez, Johnny Ramirez
Schultz, Robert Henry

Arkansas (9):

Bosson, Roy Edward
Crow, Alice Belle
Drake, Race Fred, Jr.
Kellar, Nancy Sandra
St. John, Andrew Warner, Jr.
Stover, James Winston
Watson, Douglas
Westfall, Judith Marie
Willis, Margaret Ann

California (58):

Amann, Astrid Alice
Anderson, Norman Kenneth
Ash, William Daniel
Begrin, Shirley Yvonne
Billone, Carol Jean
Boxer, Elaine Lois
Briggs, Lorena Mae
Brooks, Gregg McKinney
*Campbell, Don Richard
Carpenter, Donna Marie
Courtture, Raymond Earl
Elliott, Neilius LeRoy
Ericksen, Jeannie Nils
Farnsworth, Carl Wendell
Garr, Ellen Rosemarie
Glougie, Gaile June
Green, Delphine Pearl
Griggs, Robert Earl
Harvey, Joyce Ann
Hersh, Muriel Ann
Higdon, Tom Pat
Holden, Bernard Jay
Ingham, William Edward
Johnston, Lois Ann
*Knudson, Patricia Kathleen
Kracer, Sonia Steinhardt
Kutscher, Keith John
*Ladner, Suzanne

*Graduate student.

GALLAUDET COLLEGE, WASHINGTON, D.C.—Continued

GEOGRAPHIC DISTRIBUTION OF STUDENT ENROLLMENT, 1961-62—continued

California—Continued

Lynch, Daniel James
 Macfadden, James Robert
 Merritt, Molly Sue
 Mitchell, Kent Thomsen
 Murray, Tana Lee
 Nobleman, Alexander
 Perkins, David Ross
 Pier, Susan
 Quartermus, Lillian Louise
 Rodgers, Elaine
 Roman, Richard Charles
 Rosenkjar, Donald Lance
 *Shepherd, Mary Sandra
 Shults, Arlene Frances
 Skedsmo, Caroline Pearl
 Smith, Etta Louise
 Sokolis, Linda Lou
 Somers, Joan
 Spohr, Margaret Dorothy
 *Steigerwald, Ileene Peters
 Stewart, Wilbert Jon
 Stirling, Kathlyn Mary
 Swartzell, Beverly Jean
 *Thomas, Nolton Joseph, Jr.
 Tingley, Judith Viera
 Voegelé, Elaine Janella
 Wallis, Anne Allison
 Walters, Sam Shaw
 Walworth, Charles Alden
 White, Michael Dennis

Colorado (2) :

Haun, Claude Ernest
 Ohm, Lynn Burton

Connecticut (7) :

Couthen, Albert James
 Fairwood, Bernard Joseph
 FitzGerald, Susan Joan
 Gutfranz, Philip Edward
 Lambert, Justin Francis
 Platcow, Ruth Ellen
 Taglia, John Anthony

Delaware (1) : Wieland, Harold Gus

District of Columbia (8) :

*Archambeau, Rita Louise Gordon
 Aronson, Michael Lovat
 *Douglas, Edith Janice
 *Hoemann, Harry William
 Hoover, Lois Elizabeth
 Rikuris, Edith
 Smith, Linwood Daggette
 Wolohan, Jeanne Marie

Florida (9) :

Arthurs, Janet Marie
 Clark, Gary Brooks
 Clemons, Elizabeth Ann
 Fogel, Marvin Jay
 Hoagland, Mary Tabitha
 Kress, Sandra Lee
 McCarter, Kitty Kay
 McFarland, Carolyn Latrelle
 Watson, Howard Monroe

Georgia (5) :

Harker, Pamela Ligon
 Roberts, Frances Margaret
 Rucker, Thomas Henry, Jr.
 Steele, Alvin Edward, Jr.
 Stone, Anita Case

Hawaii (2) :

*Ayabe, Dorothy Setsuko
 Souza, James Dias

Idaho (1) : Mortenson, Gary Alfred

Illinois (22) :

Baker, Peter Boyd
 Brown, Constance Maxine
 Brown, Katie Marie
 Carlson, Edwin Stuart, Jr.
 Ciszczon, Barbara Ann
 Hansen, Jerry Eugene
 Highsmith, Doris Vivian
 Johnson, Helen Louise
 Jurjonas, Pranas

*Mueller, Charlene Patricia
 Nichols, Jerome Walker
 Phelps, Arthur Donald
 Pohlman, Kathleen Louise
 Robert, Theron Carl
 Rosenblatt, Sylvia Edith
 Schyman, William R., Jr.
 Sloan, Jacalyn Lou
 Tobias, Jacqueline Sharon
 Toerpe, Kenneth Robert
 Van Nevel, Albert Joseph, Jr.
 Wilk, Edward Frank
 Zachariasen, William Christian

Indiana (15) :

Anderson, Hubert, Jr.
 Carney, John Calvin, Jr.
 Cooper, Jerry Frank
 Garner, Glenna Sue
 Heiser, Linda Louise
 Horwitz, Bernard Ellis
 Johnson, Neil Harry
 Koch, Julia Ellen
 Mnich, Dennis Joseph
 Murray, Kenneth Wayne
 Osterling, Rigney Reed
 Thixton, Jerry William
 Wimer, Elizabeth Ann
 Zarembka, Thomas Matthew
 Zenor, Jerry Wayne

Iowa (7) :

Bourne, Francis Jay
 McLeland, Shirley Dianne
 Morris, Ruth Ellen
 Peterson, David Richard
 Siders, Jerry Lee
 Snyder, Jean Irma
 Whitt, Tillman Lee

Kansas (8) :

Barker, Dallas Dan
 Barnett, David Luther
 Creviston, Robert Joseph
 Daniels, Ralph Dean
 Graybill, George Phillip

GALLAUDET COLLEGE, WASHINGTON, D.C.—Continued

GEOGRAPHIC DISTRIBUTION OF STUDENT ENROLLMENT, 1961-62—continued

Kansas—Continued

Graybill, Patrick Aaron
Hottle, Sally Ann
Thompson, Velma Joyce

Kentucky (6) :

Belcher, Milton Don
Bussell, Donald Edward
Miller, Mary Beth
Miracle, Glenda Kay
Taylor, Wanda Fay
Whitt, Alonzo Lee

Louisiana (6) :

Bennett, James Wayne
Berry, James Grady
Corbett, Edward Emmett, Jr.
Henderson, James Edward, Jr.
Longlois, Mary Lee
Marciante, Theodore Joseph

Maine (7) :

Abbott, John Linwood
*Berard, Raymond Joseph
Bertin, David
Brackett, Basil Owen
Gower, Lois Jean
LaRoche, Donald Andre
Nichols, Donna Jean

Maryland (9) :

Crammatte, Alan B.
Fant, Louie J.
French, Barton Coleman
Haynes, James Edward
McMillan, Jesse Thomas
Mills, Ann Carroll
Richardson, Suzanne Mae
*Schein, Ann B.
Stevens, Barbara Myer

Massachusetts (10) :

Balfour, John Buick
Bergan, Robert Leonard
Bergman, Nancy Elizabeth
Borggaard, Virginia Clare
Dubsky, John Peter
Fallon, Stephen Michael
Giordano, Anthony
Levenson, Paul
Murphy, Joan Marie
Seremeth, Robert Edward

Michigan (12) :

Bischer, James Robert
Gambill, Joyce Jane
Grossbauer, Janet Mary
Halverson, Eu Dell (Bonnie)
Logan, Janice Louise
Mathis, Robert Clifford
Pence, David Eugene
Piper, Raymond Edwin
Provow, Estelle Louise
Scripter, Robert Lewis
Wells, Deanne Edna
Wood, Carole Sue

Minnesota (19) :

Carstens, Jerome Allen
Fischer, Robert Francis

Frick, Warren Wayne
Heitke, Muriel Elaine
Keldsen, Karen Louise
Kenney, Barry Malcolm
Lindberg, LaDonna Rae
Loudy, Wayne Harvey
Miers, Olin Raymond
Miers, Robert Wayne
Nelson, Norman Lloyd
Nelson, Ruth Ann
Niemi, James Ernest
Roslund, Robert Donald, II
Rosseth, Kathryn Laura
Shenhon, Sandra Louise
Simonson, Shirley Ann
Vinje, Ruby Arlene
Virnig, Susan Marie Ann

Mississippi (3) :

Bounds, Betty Lee
Lynch, Mary
Williamson, Samuel Lee

Missouri (15) :

Adams, Pat Osban
Brown, Warren Franklin
Crume, William Kirk
Culp, Dee Ann
Deuel, Alfred Frank
Deuel, Harold Clarence
Dykes, Marie Ellen
Harvey, John David
Jeffries, Joanne Kay
LaPlante, Donna Jeanne
Long, Edgar Joseph
Miller, John Mitchell
Walker, Tommy Ray
Whittle, Sam D., Jr.
Wilson, Charles Robert

Montana (7) :

Gosso, Carol Marie
Hensley, Katherine Rose
Kanning, Dorothy Ann
Kanning, Leore Paul
Klessig, Robert Raymond
Norton, Bruce Albert
Pedersen, Jim LeRoy

Nebraska (9) :

Becker, Bruce Owen
Davison, Patty Ann
Olsen, Gary Walter
Radin, Janet Louise
Reitz, Edward Eugene, Jr.
Schmitz, Joseph Nicholas
Shelton, Carol Jean
Smith, Donna Joydene
Smrz, Richard Frank

Nevada (1) : Jenkins, Judith Lynn

New Hampshire (3) :

Dow, Thayer Theresa
Gallien, Paul Wayne Francis
Levesque, John Lawrence

New Jersey (17) :

Aiello, Angelo Philip

GALLAUDET COLLEGE, WASHINGTON, D.C.—Continued

GEOGRAPHIC DISTRIBUTION OF STUDENT ENROLLMENT, 1961-62—continued

New Jersey—Continued

Bloom, Nancy Grace
 Bystrycki, Anthony John, Jr.
 Cazal, Hollace Lee
 DeVito, Rocco Joseph, Jr.
 Forestal, Edna Marie
 Forestal, Lawrence Harold, Jr.
 Goldfarb, Eileen Harriet
 Haas, Andrea Marie
 Jahn, Priscilla Amelia
 Lattanzi, Frank Anthony
 Lawson, Janet Irene
 Mikos, Rosemary Mildred
 Munoz, Diane Libby
 Rassofsky, Emil Edward, Jr.
 Stein, Judith Hermine
 Verfaillie, John Copper

New Mexico (5) :

Mackey, Jerry Lynn
 Menkis, Harmon Paul
 Morton, Carole Jean
 Peterson, Robert Baard
 Truitt, Wilma Jean

New York (38) :

Berlowitz, Jerome Maxim
 *Bluman, Bruce Alan
 Bravin, Philip William
 *Colean, Nancy Jean
 Coppola, Richard Joseph
 Davinger, Sharon Frances
 Doherty, Eileen Theresa Ann
 Engelstein, Elaine
 Essman, Paula Leneen
 Fraenkel, Allan Arnold David
 *Fretheim, Mary Josephine
 Genther, Walter Leo
 Giansanti, Charles Alvin
 Giffin, Ronald Hugh
 Giordano, Joseph Peter
 Goodstein, Harvey Cousy
 Gradnauer, Thomas George
 Heacock, William Robert
 Karras, George Mike
 Kotchin, Cynthia Marguerite
 Kramer, Michael Stuart
 Larkin, Karen Dora
 Mahoney, Nancy Carol
 Marsh, James Richard
 Milligan, Kevin Thomas
 Petrie, Audrey Arvilla
 Pulgrano, Philip Raymond
 Rohlin, Nancy Lillian
 Roof, Jean Louise
 Rosen, Roslyn Goodstein
 Rosenthal, Carol Sue
 Rowley, Clifton Robert
 Rubin, Robert
 Sommer, Patricia Ann
 Strassler, Barry Marvin
 Swanson, David Paul
 Wettel, Rozella Carol
 Wolfe, Colette Mary

North Carolina (14) :

Boone, Frank Douglas
 Dillon, Terrance Michael
 Furr, Gerald Wayne
 Gobble, Edward Mackall
 Hailey, Calvin Philip
 Helms, Linda Elaine
 Hocutt, Iva Alanaud
 Howell, Charles Richard
 Hull, Darrell Gene
 Lee, Gordon Lyles
 Mitchiner, John Tyson, Jr.
 Setzer, Nancy Jane
 Wright, Hal Wayne
 Wright, Terry Readling

North Dakota (6) :

Holte, Karen Anne
 *Kalina, Dell Roy Dennis
 LeMieux, Paul Blaine
 Nesvig, John Harold
 Roth, Sharon Mary
 Whetter, Donald Otto

Ohio (9) :

Bittner, James Glen
 Cvercko, Elaine Veronica
 Davis, Carlton James, Jr.
 Eckstein, William Franklin
 Ginsberg, Jean Louise
 Glendorf, John Thomas
 Looker, Annette Louise
 *Tschantz, Susan Ann
 Wilson, John Alexander

Oklahoma (1) : Reese, Verla Nylene

Oregon (10) :

Aaron, Jack Norman
 Buyas, Gerald Joseph
 Elliott, Tyro Gail
 Glenn, Judith Jean
 Matti, Joyce Elaine
 Mitchell, Margaret Ann
 Monnes, Janet Lynn
 Ross, Judith Helen
 Whittle, Thomas C., Jr.
 Wood, David Leylan

Pennsylvania (27) :

Corson, Harvey Jay
 DeCavege, Maxine Ann
 Del Rosso, Frank Paul
 Dembowski, Norman Jacob
 Dixon, Durbin Grazier
 Doyle, Virginia Ann
 Eckber, James Bernard
 Egnatovitch, Brenda Elaine
 Fullerton, Nancy Jane
 Goldstein, Morton Bernard
 Graves, Howard Lawson
 Gulak, Barron Ian
 Johnson, Bert Louis
 *Kalb, Linda Elizabeth
 Knoll, Roselind Jane
 Lehman, Alice Mae
 *Linton, Susannah Jacqueline

GALLAUDET COLLEGE, WASHINGTON, D.C.—Continued

GEOGRAPHIC DISTRIBUTION OF STUDENT ENROLLMENT, 1961-62—continued

Pennsylvania—Continued

Long, Norman Edward, Jr.
 McWee, Harry Peter
 *Moore, Sandra Flona
 Moore, Winchell MacDonald
 Nelson, April Mina
 Perrin, Charlene Joyce
 Rockwell, Robert Wilbur
 Schwartz, Janet Kay
 Sweeney, Mary Louise
 Zakutney, John Paul

Rhode Island (2) :

Fontaine, Joan Elaine
 Langlois, Arthur Leo

South Carolina (2) :

*Baer, Cara Octavia
 McKinney, John Charlie

South Dakota (5) :

Dillman, Robert Lee
 Heiydt, Sharon Pauline
 Hofwolt, Harvey Lee
 Smith, Dennis Lane
 Still, James Douglas

Tennessee (2) :

Davis, Scarlett Joy
 Tyl, Regina Frances

Texas (10) :

Bevill, Robert Everett
 Chism, James Herndon Winstead
 Day, Earl Wilson
 Gibson, Joy Maureen
 Hill, Richard Bernard
 Keith, Kenneth Russell
 McNeely, Jack Douglas
 Olson, John Riley, Jr.
 Rost, Virginia Kay
 Whitworth, Robert Anthony

Utah (2) :

Aldredge, Betty Jo
 Syrett, Arthur George

Virginia (19) :

Carter, Samuel Melvin, Jr.
 Christian, Shelby Jean
 Couch, Janice Ellen
 *Day, Georgia Fayetta
 Edwards, Samuel Eugene
 Ewing, Patricia Ann
 Harrison, Linda Lou
 Heckman, Barbara Jo
 Justice, Helen Brewer
 Koch, Richard Lee
 Maddox, Helen Brant
 Martin, Edwin Lee
 McCray, Ollie Mitchell
 Rogers, Douglas Byrne
 Showalter, Rhoda Elizabeth
 Stillford, Randal Eric
 Walther, Margaret Sue
 *Wiley, Bettigene Henderson
 Wilmarth, Lily Page

Washington (8) :

Bridge, Patricia Frances
 Christenson, David Allen
 Davidson, William Conrad
 Hendrix, Richard Lee
 Merlino, Robert Fedele
 Park, Arlene Kay
 Schoenberg, Laurence Allan
 Schoenberg, Richard John

West Virginia (7) :

Adkins, Larry Gale
 Baughman, Carolyn Sue
 Brunetti, John Anthony
 Crossetti, Mary Ann
 Hall, Martha Ellen
 Shade, Carolyn Lucetta
 Shade, Victor Martin

Wisconsin (6) :

Alby, James Francis
 Byington, Ronald Eugene
 Kamuchey, Marie Erna
 McCoy, Richard Michael
 Rabiola, Deanna May
 Reineck, James Walter

FOREIGN (23)

Canada (14) :

Caldwell, Edythe Marlene
 Dola, Roda
 Hargreaves, Alfred
 Kvarnberg, Judith Marilyn
 Lapinsky, Melvin William
 Lillie, Gilbert Cameron
 MacDonald, Irvin Stewart
 Mair, Frank James
 Mason, David George
 Rockwood, Robert Ernest
 Rault, Donna Vera
 Sullivan, Gerald Lawrence
 Wick, Edward Marshall
 *Winram, Elsie Elizabeth

England (1) : Palmer, Colin Pascoe
 Barton

Finland (1) : Suomela, Elo Kaino

Ghana (1) : Tetteh-Ocloo, Seth
 Lawrence

India (2) :

*Misra, Surya Kant
 Roy, Ramendra Sundar

Japan (1) : Kiyota, Akira

South Vietnam (1) : Tan, Loun-Pin

Sweden (1) : Koit, Anne-Leen

Western Nigeria (1) : *Oyesola, Ade-
 laide Omodele (auditor)

ENDOWMENT FUND

Mr. DENTON. Do you have any endowment?

Dr. ELSTAD. A very small endowment. Most of it is for prize money and things like that; endowment, the interest of which can be used for expenses; no.

It is about \$180,000 endowment.

PLACEMENT OF GRADUATES

Mr. DENTON. When they get through Gallaudet College what sort of positions do they secure and what success do you have in placing them in positions?

Dr. ELSTAD. We have very little difficulty in placing them. They go into professions. We recently got a booklet financed by Sears, Roebuck Foundation, giving six different positions the deaf have taken up recently. We will send you a copy of that.

They can take civil service examinations now, they go into the sciences, chemists, bacteriologists, botanists, and we have a business administration course now. They go into business. In fact, they can do anything hearing people do. They are programmers for electronic computers. We are teaching the theory of that in our math courses. They are getting their practice off campus. We have in this estimate here, money to help pay for an IBM computer which has been given to us at a very small cost. It is a \$75,000 instrument. The classes will be able to get their practice work in that on the campus, too.

Mr. DENTON. Do they have any difficulty getting positions after they graduate?

Dr. ELSTAD. No. One of the reasons they do not is because efforts are being made to bring employers to the campus. On March 1 we will have, I think, 35 employment leaders in the area coming in for an hour and a half visit at the college, a luncheon, questions and answers with the idea it will acquaint them with the possibilities of deaf employment.

MISCELLANEOUS INCOME

Mr. DENTON. On page 81 you have "Income, auxiliary enterprises." What is that?

Dr. DETMOLD. Our bookstore and snackbar. We have a bookstore on the campus and a snackbar.

Mr. DENTON. What are your "Miscellaneous receipts"?

Mr. HARVEY. Various collections through our speech and hearing center with some charges made for certain services; also our counseling center, and just other miscellaneous collections.

ATHLETIC COMPETITION

Mr. DENTON. Do you have athletic sports that they participate in?

Dr. ELSTAD. Yes.

Mr. DENTON. Do you participate with other colleges?

Dr. ELSTAD. We belong to the Mason-Dixon Conference in all sports. We beat Catholic University Monday night in swimming; we beat Towson College in basketball Saturday night. We have

won six basketball games. As the paper said, it is the best season we have had.

Mr. DENTON. Have you lost any?

Dr. ELSTAD. Yes; we lost 11. In football we had one victory which is a pretty good year for us.

Our best basketball player is sitting on the bench.

Mr. DENTON. I could see how you could get a basketball team because that is five men. When you get to 11, that is difficult for a small school.

Dr. ELSTAD. We also won a soccer game last year. They are very good at wrestling.

Mr. DENTON. I know a person in my hometown was very anxious to get a teacher of the deaf. He did not have any success. We have this new bill. Do you think that will improve the situation any?

Dr. ELSTAD. Is this in Indianapolis?

Mr. DENTON. Evansville. I spoke to you about it at the time. He was anxious to get two teachers.

Dr. ELSTAD. It is very difficult to get teachers for day schools because teachers would rather teach in large schools where they get well-graded classes and instead of spending their time on different ages—

Dr. DENTON. I know he said it was difficult getting teachers for the deaf because they teach the deaf in the public schools now and they can stay at home and do not have to go away to school. He said it was very difficult to get teachers.

I think that is all.

APPROPRIATIONS AND ENROLLMENT FOR PAST YEARS

Mr. MARSHALL. In 1953 you had an appropriation of \$413,000. What was the size of your enrollment that year?

Do you recall?

Dr. ELSTAD. I do not have the figures here for that, but I would say around 200 students.

Mr. MARSHALL. So that in 10 years time your enrollment has practically doubled?

Dr. ELSTAD. That is right. It has tripled since 1945, when I came there.

I should say that as you become accredited you are required to have the minimum number of departments and instructors of a certain quality to teach in those departments so that accrediting of the college added to the cost of operation.

Mr. MARSHALL. Do you recall what your appropriation was in 1945?

Dr. ELSTAD. We do not have those figures with us.

Mr. MARSHALL. Would you furnish that for the record?

Dr. ELSTAD. I will be glad to furnish that for you.

(The appropriation follows:)

The appropriation for 1945 was \$183,700.

PHYSICAL FACILITIES FOR EXPANDED ENROLLMENT

Mr. MARSHALL. I notice that you are estimating that in 1966 or 1967 you will have an enrollment of 1,600.

Dr. ELSTAD. That is the way it looks today.

Mr. MARSHALL. In other words, in a space of just a few years your enrollment is going to more than double?

Dr. ELSTAD. That is right.

Mr. MARSHALL. Do you feel that in order to take care of this expanded enrollment you are going to have the facilities in shape by that time?

Dr. ELSTAD. With these two new dormitories, for which we are asking planning money, we feel that we will have housing for them. In the next budget we will have to ask for a classroom building for these additional students and the master plan which we will present to the next Congress will include the balance of the construction necessary.

The staff needs are not as serious because we are equipped, or pretty well equipped to teach a larger enrollment, are we not? Dr. Detmold?

Dr. DETMOLD. Yes. We can add substantially to our enrollment without increasing the staff proportionately. We will have to make regular additions in some departments where we have to maintain a certain teacher-student ratio.

TEACHER-PUPIL RATIO

Mr. MARSHALL. What is your ratio of teachers to pupils?

Dr. DETMOLD. That varies in different departments.

Mr. MARSHALL. Could you give me an overall picture for your institution?

Dr. ELSTAD. We will have to supply that.

Mr. MARSHALL. For the purposes of the record, when you supply that, could you give me a comparison of what that was 10 years ago?

Dr. ELSTAD. All right, sir.

(The requested information follows:)

Teacher-student ratios

	Actual, 1961	Estimate, 1962	Estimate, 1963	Estimate, 1951
Number of preparatory students.....	96	148	163	55
Number of academic preparatory teachers.....	8.5	11	12.25	3.5
Ratio of teachers to students.....	1-11.29	1-13.45	1-13.30	1-15.7
Number of undergraduate students.....	236	272	327	154
Number of undergraduate teachers.....	37.75	39.25	40.75	12.5
Ratio of teachers to students.....	1-6.25	1-6.93	1-8.02	1-12.3
Number of preparatory and college students.....	332	420	490	109
Number of speech and hearing clinicians.....	7.25	9.25	10.25	1
Ratio of clinicians to students.....	1-45.79	1-45.40	1-47.80	1-109
Number of Kendall School students.....	93	93	100	60
Number of Kendall School teachers.....	15.25	15.25	15.25	10
Ratio of teachers to students.....	1-6.09	1-6.09	1-6.55	1-6
Number of Kendall School, preparatory, and college students.....	425	513	590	169
Number of physical education teachers.....	6	6	6	3
Ratio of physical education teachers to students.....	1-70.83	1-85.50	1-98.33	1-56.3
Number of nursery students.....	9	18	28	0
Number of nursery teachers.....	2	3	3	0
Ratio of teachers to students.....	1-4.50	1-6.0	1-9.33	0
Number of graduate students.....	39	36.5	36.5	16
Number of graduate department teachers.....	2	2	2.5	2
Ratio of teachers to students.....	1-19.50	1-18.25	1-14.60	1-8
Number of Kendall School, preparatory and college students.....	425	513	590	169
Number of counselors in counseling center.....	6.25	7.25	7.25	0
Ratio of counselors to students.....	1-68.0	1-70.76	1-81.37	0

NOTE.—Table does not include faculty assigned to administration, library, research, or audiovisual office. Faculty assigned to hearing and speech center and to the counseling center regularly see deaf outpatients in addition to Gallaudet student body.

ADMINISTRATION STAFFING

Mr. MARSHALL. I notice one other thing that seems to be a little bit unique in this budget. For 1961 and also for 1962 your permanent positions are filled to the extent that the appropriation will permit them to be filled. Is that correct? You have had all of your positions filled for the last 2 fiscal years.

Dr. ELSTAD. Yes.

Mr. KELLY. May I say that this is not unique to the educational field; that where you run an office-type organization, you will have always more positions than you have employees but when you run an educational institution as it applies to teachers, you have set up a teacher for each subject and each classroom and in some manner or means there has to be a person there so that you find that there is a very small lapse that is involved in the educational process as compared with the normal office-type operation.

Mr. MARSHALL. That is all, Mr. Chairman. Thank you.

Mr. DENTON. Thank you, Dr. Elstad.

WEDNESDAY, FEBRUARY 21, 1962.

HOWARD UNIVERSITY

WITNESSES

JAMES M. NABRIT, JR., PRESIDENT, HOWARD UNIVERSITY
 WILLIAM STUART NELSON, VICE PRESIDENT FOR SPECIAL
 PROJECTS

G. FREDERICK STANTON, SECRETARY

JAMES B. CLARKE, TREASURER

WENDELL G. MORGAN, BUSINESS MANAGER

JULIAN A. COOK, ARCHITECTURAL COORDINATOR FOR THE
 BUILDING PROGRAM

VINCENT J. BROWNE, ADMINISTRATIVE ASSISTANT TO THE
 PRESIDENT

CHARLES G. PALMER, DIRECTOR, ESTIMATES BRANCH, OFFICE OF
 DESIGN AND CONSTRUCTION, PUBLIC BUILDINGS SERVICE

JAMES F. KELLY, DEPARTMENTAL BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	5,900	7,474	7,824
Positions other than permanent.....	1,162	1,298	1,298
Other personnel compensation.....	12	12	12
Total personnel compensation.....	7,074	8,784	9,134
12 Personnel benefits.....	389	482	503
13 Benefits for former personnel.....	23	23	23
21 Travel and transportation of persons.....	109	117	117
22 Transportation of things.....	6	5	5
23 Rent, communications, and utilities.....	216	298	326
24 Printing and reproduction.....	81	81	81
25 Other services.....	613	513	549
26 Supplies and materials.....	1,171	989	1,085
31 Equipment.....	427	479	755
41 Grants, subsidies, and contributions.....	474	519	689
Total obligations.....	10,583	12,289	13,267

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	1,090	1,272	1,328
Full-time equivalent of other positions.....	270	285	285
Average number of all employees.....	1,253	1,518	1,574
Number of employees at end of year.....	1,844	2,029	2,085
Grades established by board of trustees: Instructional grades:			
Average salary.....	\$7,637	\$7,821	\$7,941
Grades comparable to general schedule grades:			
Average grade.....	5.3	5.1	5.3
Average salary.....	\$5,052	\$4,918	\$4,933
Average salary of ungraded positions.....	\$3,515	\$3,502	\$3,531

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. General administration.....	1,091	1,206	1,206
2. Resident instruction and departmental research.....	5,212	6,799	7,241
3. Organized research.....	897	900	900
4. University libraries.....	263	369	569
5. Operation and maintenance of physical plant.....	1,323	1,265	1,451
6. Auxiliary enterprises.....	1,374	1,284	1,284
7. Student aid.....	423	466	616
Total obligations.....	10,583	12,289	13,267
Financing:			
Advances and reimbursements from—			
Other accounts.....	—445	—487	—530
Non-Federal sources.....	—4,648	—4,795	—5,245
New obligational authority (appropriation).....	5,490	7,007	7,492

NOTE.—Reimbursements from non-Federal sources above are from tuition, other student fees, gifts and grants, endowment income, and sales by auxiliary enterprises.

PLANS AND SPECIFICATIONS

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
21 Travel and transportation of persons.....	—	6	5
24 Printing and reproduction.....	1	3	2
25 Other services.....	147	431	151
26 Supplies and materials.....	—	1	—
Total obligations.....	148	441	158

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Social work building.....	—	—	56
2. Master development plan study.....	—	—	30
3. University hospital.....	—	191	59
4. Men's dormitory No. 4.....	—	126	13
5. Powerplant survey.....	1	—	—
6. Classroom building No. 2.....	61	44	—
7. Women's dormitory No. 7.....	74	46	—
8. Warehouse service building.....	—	13	—
9. Site planning details.....	—	20	—
10. Physical education building.....	12	—	—
Total obligations.....	148	441	158
Financing:			
Unobligated balance brought forward.....	—	—91	—111
Unobligated balance carried forward.....	91	111	39
Unobligated balance lapsing.....	3	—	—
New obligational authority.....	241	461	86
New obligational authority:			
Appropriation.....	225	461	86
Reappropriation.....	16	—	—

CONSTRUCTION AND PURCHASE OF BUILDINGS

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
HOWARD UNIVERSITY			
25 Other services.....	10	24	33
26 Supplies and materials.....	2		
31 Equipment.....	21		642
32 Lands and buildings.....			470
Total, Howard University.....	32	24	1,146
ALLOCATION TO PUBLIC BUILDINGS SERVICE			
24 Printing and reproduction.....	4	21	28
25 Other services.....	41	115	181
26 Supplies and materials.....	1		
31 Equipment.....	60	10	225
32 Lands and structures.....	1,112	4,233	4,320
Total, Public Buildings Service.....	1,218	4,379	4,754
Total obligations.....	1,250	4,403	5,900

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Classroom building No. 2.....			\$2,225
2. Women's dormitory No. 7.....			2,470
3. Warehouse service building.....			550
4. Powerplant facilities—steam and electrical distribution.....	\$92	\$723	299
5. Physical education building.....		3,592	355
6. Home economics building.....	1,017	88	
7. Auditorium-fine arts building.....	111		
8. Dental building.....	17		
9. Men's dormitory.....	6		
10. Preclinical medical building.....	1		
11. Powerplant substation.....	7		
Total, obligations.....	1,250	4,403	5,900
Financing:			
Unobligated balance brought forward.....	-145	-324	-369
Unobligated balance carried forward.....	324	369	
Unobligated balance lapsing.....	5		
New obligational authority.....	1,435	4,447	5,531
New obligational authority:			
Appropriation.....	1,433	4,447	5,531
Reappropriation.....	2		

Mr. DENTON. We are glad to have you, Dr. Nabrit.

You may insert your statement in the record at this point.
(The statement referred to follows:)

GENERAL HISTORICAL AND BACKGROUND STATEMENT

Mr. Chairman and members of the committee, I have the honor to present an historical and background statement about Howard University, which is intended to provide information pertaining to (a) the nature of the university and its place in higher education, (b) the special relationship of the U.S. Government to the university, and (c) the present status of the university.

A. THE NATURE OF HOWARD UNIVERSITY AND ITS PLACE IN HIGHER EDUCATION

1. Howard University was chartered by act of Congress on March 2, 1867. It was the purpose of the founders to admit students of both sexes, without regard to race, creed, color, or national origin. It was one of the major pur-

poses of the founders, however, to admit Negro youth, among others, to all of its educational offerings. The university has pioneered in the offering of professional training to Negro youth in medicine, dentistry, pharmacy, engineering, architecture, law, music, and social work, as well as in the teaching profession and religion. During the school year 1960-61, the university served a total of 7,898 students in its 10 schools and colleges, including the regular school year and the summer session.

2. During the period of 94 years between 1867 and 1961 Howard University has been the only university of public support in the Southern States which freely and substantially admitted Negro youth to any approximation of the wide scope of undergraduate, graduate, and professional opportunities characteristic of the American State university.

3. During the entire 94 years of its history Howard University has graduated a larger body of Negro physicians, dentists, pharmacists, engineers, architects, musicians, lawyers, and social workers than all other universities of public support combined in all the Southern States. There were 673 graduates from the 10 schools and colleges during the 1960-61 school year. These graduates came from 37 States, the District of Columbia, the Virgin Islands, Puerto Rico, 20 foreign countries, and 9 island possessions of the British and Dutch West Indies. The 673 graduates were distributed among the 10 schools and colleges as follows: Liberal arts, 304; engineering and architecture, 77; music, 15; the graduate school, 42; social work, 49; medicine, 83; dentistry, 48; dental hygiene, 5; pharmacy, 11; law, 24; and religion, 15.

4. From the beginning of its work until the end of 1961, Howard University has graduated a total of 22,443 persons. By far the large majority of these graduates have been Negroes. These graduates are at work in almost all of the States and in 27 foreign countries. In every population center in the United States they constitute the largest and most diversified group of trained Negro public servants related to any single institution in the world.

5. Since 1948 many of the public institutions in 12 Southern States, hitherto closed to Negroes, have little by little, opened their doors to Negro youth. However, in 1961, Howard University still enrolled a larger number of Negro students in medicine, dentistry, pharmacy, music, engineering, architecture, and social work than in all other public universities and colleges together in the entire area of these States.

6. The national importance of Howard University as a trainer of Negro professional students is nowhere better illustrated than by reference to medicine and dentistry. Excluding Meharry Medical College at Nashville Tenn., the enrollment of medical and dental students at Howard University in 1960-61 exceeded the enrollment of Negro students in all the other medical and dental schools in the United States. Howard University and Meharry Medical College have been the foremost pioneers in the development of medical education among Negroes. Today, these two institutions constitute, by far the major source of Negro physicians, surgeons, and dentists in the United States and in the world. The urgent importance of the work of these two institutions is further emphasized by the fact that even now the total annual output of Negro physicians in the United States hardly exceeds the number required to replace those who annually die, and there is a standing shortage of more than 15,000.

7. From the beginning of the university's work in 1867, the founders invited to the faculties of the university learned and able men and women, on the basis of their ability and character as individuals and without discrimination as to sex, race, creed, color, or national origin. But it was a major purpose of the founders of Howard University to employ Negro teachers, among others, on every faculty. The existence of this group of Negro university teachers at Howard University has been a continuing inspiration to the Negro people for more than three-quarters of a century, and membership on one of these faculties has been the first employment of many of the outstanding Negroes in the public life of America. From them came the founder and operator of the first blood plasma bank in the world, the most distinguished Negro industrial chemist in America, the first Negro governor of an American possession, the first Negro in the Secretariat of the United Nations (Nobel Prize winner), the first Negro member of the bench of the U.S. Court of Appeals, the first Negro cultural attaché in the diplomatic service of the United States to a major European nation, and the first Ambassador to the newly established government in Niger.

8. Service to foreign students and in foreign countries: Howard University has developed a far-reaching service to foreign students. In 1960-61, it served

967 foreign students from 53 foreign countries in Asia, Africa, Europe, North, Central, and South America, 17 island possessions of the British, French, and Dutch Indies, and 2 possessions of the United States. The university ranks first among all American universities in the percentage of foreign students enrolled.

9. Howard University students and teachers have the experience of daily association with teachers and students representative of every race and color and all the major creeds of the world. In recent years many of these teachers and students, as individuals and in groups, have traveled on governmental missions to many countries in Europe, Asia, and Africa. Wherever they have gone, they have imparted good will and friendship and they have found good will and friendship in return.

10. On many occasions, responsible leaders of Government and friends of our country abroad have acknowledged the services of our teachers as being of the highest value to their country and to the cause of democracy in the world.

11. Teachers and students from Howard University have worked and studied in many parts of the world including West Germany, Italy, Israel, Iran, Iraq, Indian, Ceylon, Burma, Vietnam, Japan, Egypt, Indonesia, Ethiopia, the Sudan, Kenya, Liberia, Ghana, the Congo, the British West Indies, and British Guiana. Fulbright scholars from Howard University have served in such countries as England, France, Norway, Sweden, Denmark, Italy, Greece, Egypt, Iraq, India, and Ghana.

During the year 1960-61, a number of members of the staff worked abroad in various capacities. The dean of the school of social work served as visiting lecturer and consultant on social work education at the University College of the West Indies. The dean of the college of medicine served as adviser on medical education to aid American and Vietnamese architects in designing a medical center for the faculty of medicine and pharmacy at the University of Saigon. The head of the department of preventive medicine and public health was engaged as a medical consultant for the U.S. operations mission in Ghana. A professor of architecture completed 3 years of service as architecture-engineering education adviser of the U.S. operations mission in the Sudan.

B. THE SPECIAL RELATIONSHIP OF THE U.S. GOVERNMENT TO HOWARD UNIVERSITY

1. Howard University was chartered by an act of Congress on March 2, 1867. Funds of the Federal Government, available through the Freedmen's Bureau, were contributed toward the purchase of the first land and the erection of the first building.

2. Almost immediately the institution became associated with the hospital work which the Federal Government was undertaking to do for the emancipated slaves at Freedmen's Hospital and has continued that relationship until this day. The present Freedmen's Hospital stands on valuable grounds owned by Howard University and leased to the Federal Government at the rate of \$1 per year. Howard University renders all professional services in this hospital, and the combined work of Howard University and Freedmen's Hospital constitutes the most valuable training facility for the medical education of Negro physicians and surgeons to be found anywhere in the world.

3. On March 3, 1879, the Congress made the first Government appropriation for the support of the university in the amount of \$10,000. Since that time the Congress has made continuous and increasing appropriations to the university, year by year, being more and more confirmed in the conviction that it was thereby rendering a greatly needed service in ways not otherwise provided. Until the year 1928, these appropriations were made in the form of voted gratuities, without the support of a substantive law. During this period of 49 years, from March 3, 1879, to December 13, 1928, the current annual appropriations from the Congress to Howard University rose from \$10,000 to \$218,000, enabling the university to survive as the only one of many heroic endeavors which began in this field after emancipation.

4. Under date of March 15, 1928, the U.S. Office of Education called nationwide attention to the necessity of making Howard University into a first-class institution, showing that the possibility of a first-class university available substantially to the Negro people did not exist anywhere else in the United States. At that time there was nowhere in the Southern States a single approximation of a State university available to Negroes and there was manifested nowhere a vigorous will to give adequate support to such an undertaking, either in private philanthropy or in government.

5. On December 13, 1928, both Houses of Congress passed and the President of the United States signed a bill amending the act incorporating Howard University, so as to provide substantive law for annual appropriations thereto, in the following language:

"Sec. 8. Annual appropriations are hereby authorized to aid in the construction, development, improvement and maintenance of the university, no part of which shall be used for religious instruction." (45 Stat. 1021, approved December 13, 1928.)

6. The passage of this substantive law in 1928 was followed by a conference called by the Secretary of the Interior on February 11, 1929, attended by representatives of various areas of the Government including the Bureau of the Budget, the Appropriations Committee of the House of Representatives, the Finance Committee of the Senate, the Department of Interior, and the U.S. Bureau of Education, together with leaders of philanthropy and the trustees of Howard University. At this conference it was unanimously agreed that the time had come to establish Howard University on a first-class basis, and the U.S. Office of Education was authorized to study and to prepare a plan for the development of the university along these lines.

7. Following this important conference, a study of all aspects of the educational program of Howard University was made by the officers thereof, under the supervision of the Office of Education. As a result of this study, a definite program to establish Howard University on a first-class basis was worked out in every detail and a formula of financial support based upon the experience of State and Federal Governments with land-grant colleges and universities was established and agreed upon by the educational leaders in the Office of Education by the U.S. Commissioner of Education, by the Secretary of the Interior, and by the Subcommittee on Appropriations of the House of Representatives dealing with the Interior bill. This program was commended to the Congress by the action of the entire Appropriations Committee of the House of Representatives.

8. The Congress swiftly and vigorously supported the agreed-upon program. By successive steps it raised the current appropriation from \$218,000 in 1928 to \$675,000 in 1932, and made substantial appropriations for buildings and physical plant improvements. Then came the depression years which halted the growth in current appropriations and brought the building program to a stop.

9. Increased appropriations for current support began again, however, after 1941 and steadily rose to \$1,115,701 in 1946; thence to \$1,588,635 in 1947; and to a peak of \$7,007,000 in 1962.

10. Physical plant: The 71st Congress which prepared the first 20-year program for the development of Howard University recognized that the university was in distressing need of a new plant and equipment for the important work which it was undertaking to do. In the 20-year program of development which it approved, it provided for a rapid development of the physical plant of the university including the acquisition of nearly 460,000 additional square feet of land and more than 30 new buildings, within a period of 10 years. The Congress in sessions between May 7, 1929, and March 4, 1933, appropriated \$3,264,000 toward the construction of eight of these building projects as follows: (1) Three dormitories for women; (2) an educational classroom building; (3) a heat, light, and powerplant; (4) a tunnel for the transmission of heat, light, and power; (5) a chemistry building; and (6) a general library building. These buildings were all constructed in subsequent years and further appropriations of \$1,397,700 were made for a ninth building project—a group of men's dormitories—and for landscaping and repair of buildings. The needed land for all these projects was acquired through the gifts of private foundations.

11. After the beginning of the year 1936, however, the appropriations for funds for buildings ceased until the end of World War II.

12. In 1946 and in years immediately following, over 2,600 returning soldiers from this war, being deeply impressed by the advantages which Howard University offered, flooded the 10 schools and colleges and overflowed its buildings to the extent that the Government took steps to provide Howard University with 13 temporary wooden buildings and to turn over for its use 2 permanent dormitory buildings, originally acquired for the housing of Government employees. During this period the physical plant of the university was placed under the utmost strain, its current budget for maintenance of the plant was exhausted to provide foundations, water, electric and heating services for the temporary wooden buildings; and the current maintenance of the plant was so far reduced in efficiency that heavy deterioration set in and accumulated rapidly.

13. The Members of Congress were so greatly impressed by the distressing inadequacy of the plant of Howard University in 1946-48, that they were determined to give the matter of an adequate plant their most thorough consideration. On June 14, 1948, therefore, they appropriated a sum of \$50,000 to provide for a careful restudy of the 20-year plan of 1930 and a considered readaptation of that plan by the Public Buildings Administration to meet the present-day needs of the university. As this study proceeded the Congress made one appropriation after another, designed to bring about an adequate plant at the earliest possible time. Between June 14, 1948, and July 5, 1952, the Congress thus appropriated and authorized funds for 11 major building projects at an authorized cost of \$18,439,221 and authorized further the funds for the planning of a new preclinical medical building. This was the first sustained movement toward the provision of an adequate plant for the university since the initial series of appropriations by the Members of Congress in the years 1927 and 1933, immediately succeeding their determination upon the 20-year program to make Howard University a first-class institution.

14. The Congress authorized three major building projects, at a cost of \$9,778,000, plus powerplant facilities and a telephone underground duct system costing \$1,352,000, in the 10-year period between 1952 and 1962. The 1963 budget estimates provide for three additional major building projects estimated to cost \$5,483,000 and \$286,000 for powerplant facilities.

C. THE PRESENT STATUS OF THE UNIVERSITY

1. *The student body*

1. In accord with the master development program agreed upon in 1951, Howard University is being built to serve 5,200 full-time day students and as many additional evening and summer school students as may be accommodated by the plant so constructed. During the school year 1960-61 the institution served a net total of 6,910 students excluding all duplications. The total enrollment is expected to rise to 7,132 in 1961-62

2. *The physical plant*

1. While the project is nearing completion, it is not finished. At the same time, we have already exceeded our previously planned enrollment goal. Indeed, it is apparent that the university will have to provide for a larger number of students than was anticipated in the master development program.

2. About two-thirds of the physical plant has been completed. In 1956 the new biology building was finished and occupied. The physical space contemplated for the full enrollment in the physical and biological sciences was thus completed.

3. The entire preclinical medical building is finished and occupied. The full space for the preclinical instruction of 1,000 students in dentistry, medicine, and nursing is now in use.

4. New buildings for instruction in dentistry and pharmacy are also completed. The transfer of Freedmen's Hospital to the university and the construction of new hospital facilities, authorized by the 1st session of the 87th Congress, point toward the last major item of physical improvement required to bring the entire program for instruction in medicine, dentistry, pharmacy, and nursing to the stage of complete physical plant readiness.

5. A new building for the general administrative offices is finished and occupied. The auditorium-fine arts building was completed in the fall of 1960. In addition to the auditorium, this building provides all the facilities for the school of music and the departments of art and drama.

6. A classroom building for home economics is now under construction and will be ready for use at the beginning of the next school year. It is expected also that construction of the physical education building for men will be started during the second semester of the 1961-62 school year. The 1962 budget also contains funds for the preparation of plans and specifications for construction of a men's dormitory, a warehouse service building, and site planning.

7. There are still a number of unfinished and urgent physical needs. These include the need for an additional classroom building for the humanities, social sciences, education and business instruction; a building for the school of social work; and a student and faculty union building.

8. All dormitories in the university, both men and women, are filled; and there is a long waiting list and a pressing enrollment. There is an especially

urgent need for a new women's dormitory. We are unable to admit many well-qualified young women to the university because of the lack of dormitory space.

9. In brief, if the original plans for the development of this institution are to be completed, a minimum of two additional educational buildings, two additional service buildings, and three additional dormitory buildings must yet be erected. The construction program has not progressed nearly as fast as had originally been planned. It is hoped that planning and construction funds for the long-delayed remaining buildings can be made available soon, in order that the full necessary physical plant can be completed and put into operation.

3. *The quality of instruction*

1. At the present time, all the schools and colleges of the university are accredited by their individual national accrediting agencies. In addition, on May 9, 1957, the university received notice of full accreditation as an interrelated whole by the Commission on Institutions of Higher Education of the Middle States Association of Colleges and Secondary Schools, with commendatory language as follows:

"This recognition by Howard University's peers in the middle States community of higher education is well deserved. We appreciate the spirit in which you have cooperated with the commission and achieved the commendable and, in some respects, even remarkable improvements which have been called to our attention."

2. The increased appropriation of \$500,000 for "Salaries and expenses" voted by the Congress for 1958, and the expressed purpose by responsible leaders in the Bureau of the Budget, Department of Health, Education, and Welfare, and in the Congress to make Howard University a first-class institution in every respect, were decisive in making this notable accreditation possible. The 10-percent increase in all salaries at Howard University, voted in 1958, and the 7½-percent increase, voted in the 1961 supplemental budget, were beneficial and stimulating to all of us.

3. We wish to express to the Members of Congress our deep appreciation for their interest in the work of Howard University. We hope that they will cling fast to the great purpose which they have thus far so inspiringly reaffirmed, and that they will continue to manifest this determination until they have completed the physical plant as planned, and until every area of the educational program of the university is supported at a level which makes possible first-class competence in instruction and research.

4. The State universities in 12 Southern States have in recent years gradually opened their doors to Negro students. This is a great beginning, of high significance to the Negro people and to our Nation. In the course of time it will come to have quantitative significance in the training of high-grade professional and graduate leadership for the Negro people. After the expiration of many years, it will come to have the crowning inspiration of a substantial number of Negro scholars, working in the faculties of these universities, side by side, with their brothers of the majority.

5. Until that time comes, however, there is one place in this Nation where the people of the United States have come near to an unequivocal and substantial expression of their highest will toward the Negro minority—that is in the comprehensive undergraduate, graduate, and professional program of Howard University, and in substantial representation of Negro personnel on the faculties of that university. This manifestation of the high possibilities of democracy at Howard University is one of the truly representative facets of American culture and development.

6. Every unfinished element in the life of this project which leaves it short of first-class resourcefulness and functioning should be rapidly overcome without hesitancy in order that the Negro people themselves, the citizens of our country from every State and the diplomatic and cultural representatives of all the peoples of the world may see here on this spot in the National Capital an expression of our American and democratic purpose toward race, color, and minority status, so clear, so substantial, and so adequate as to be inspiring beyond question. In the new dimensions of world affairs this demonstration at Howard University ably serves our Nation. To advance its program, to strengthen its resources, to raise its standards is to advance our national goals and interests. Today we need the talents of all our people. We need them now and desperately so.

SALARIES AND EXPENSES

Mr. Chairman and members of the committee, on behalf of the board of trustees and faculties of Howard University, I wish to thank you and the Congress for making available to the university an increase of \$1,517,000 in the appropriation for "Salaries and expenses" in 1962. This increase has given the university an opportunity to secure the number of teachers and supporting staff that will be adequate in relationship to the student enrollment. In addition, this increase has enabled the university to begin a planned program of merit salary increases for approximately one-third of the teaching staff each year, as well as provided funds to raise the level of salaries of professors in medicine, dentistry, law, and engineering. At the same time, it should be pointed out that this increase has helped the university to begin taking steps toward the strengthening of library services and the addition of book collections. The overall effect of the 1962 appropriation, therefore, is that Howard University is now in a position where it can give more effective attention to the qualitative improvement of the educational program.

The university has been so greatly encouraged by the thoughtful consideration and support given it by the Government that on our own behalf, we propose to raise student tuition fee rates on an average of \$90 per student, beginning with the fall term of 1962, with the expectation that we can increase our income by \$450,000 and use this sum to give further acceleration to the efforts undertaken to raise Howard University to the status of a truly first-class university. We are imposing this strain upon ourselves in spite of the fact that student tuition at Howard is already higher than that in most State-supported institutions.

The budget estimates for 1963 respectfully request a total appropriation of \$7,492,000 for "Salaries and expenses." This request represents a net increase of \$485,000 over the appropriation for 1962.

This increase may be summarized as follows:

I. For improvements in the instructional program:	
1. Merit salary increases for teaching staff-----	\$65, 000
2. Basic research in the social sciences, human- ities, and mathematics-----	200, 000
3. Educational supplies and equipment-----	135, 000
4. Library services, equipment, and books-----	200, 000
5. Scholarships, fellowships, and traineeships---	150, 000
	\$750, 000
II. For the rehabilitation of the physical plant and improvement in its operation and maintenance:	
1. Operation and maintenance of the new home economics building-----	\$45, 000
2. Additional staff for the prevention of accumu- lated deterioration-----	70, 000
3. Operational supplies, equipment, and expense in support of additional staff-----	47, 000
4. Projects for the elimination of accumulated deterioration in the physical plan-----	50, 000
	212, 000
III. Services rendered to Freedmen's Hospital on a reim- bursable basis-----	
	43, 000
Gross increase in obligations-----	1, 005, 000
IV. Less:	
Increase from student fee rates-----	\$450, 000
Nonrecurring item in 1962 appropriation-----	27, 000
Reimbursements, Freedmen's Hospital-----	43, 000
	520, 000
Net increase for 1963-----	485, 000

I. FOR IMPROVEMENTS IN THE INSTRUCTIONAL PROGRAM, \$750,000**1. Merit salary increases for teaching staff, \$65,000**

It is respectfully requested that \$65,000 be made available to provide merit salary increases for those members of the regular teaching staff in the ranks of professors, associate professors, assistant professors, and instructors who meet certain criteria of outstanding performance. Teachers at Howard University do not receive periodic salary increases as is true of the nonteaching staff. Normally, salary increases for teachers are provided only when the Congress appropriates money from time to time for across-the-board cost-of-living increases.

The provision of funds for merit salary increases enables the university to have a means of compensating teachers and scholars who have demonstrated outstanding ability, and who have achieved notable academic prominence and professional distinction. Merit salary increases serve also to strengthen the university's competitive position in seeking able teachers and in retaining those whose accomplishments are widely recognized. These are not cost-of-living increases.

The Congress has now appropriated money for merit salary increases on three occasions. The first such appropriation was in the amount of \$46,000 in the fiscal year 1956. The second appropriation, in the amount of \$65,000, was provided in the fiscal year 1958. The third appropriation, in the amount of \$65,000, was made in the fiscal year 1962. These increases went to approximately one-third of the regular teachers in the regular ranks of professors, associate professors, assistant professors, and instructors. These teachers qualified for merit increases because of unusual records in research, publications, teaching, or other exceptional contributions or achievements. The appropriation of \$65,000 requested for fiscal year 1963 will again make available merit salary increases for those teachers who meet the criteria of merit established by the university. The increase in individual salaries works out to 5 percent, although the amount for each individual is not set on a percentage basis. It is the university's hope that this modest annual appropriation will be made available whereby teachers who meet the merit criteria can be given consideration for salary advances at least once every 3 years.

2. Basic research in the social sciences, humanities, and mathematics, \$200,000

The sum of \$200,000 is requested for basic research in the social sciences, humanities, and mathematics. The university proposes to support in part the request for \$200,000 in fiscal year 1963, through an allocation of \$100,000 from the increase in student fee rates.

It is to be noted in the first instance that effective teaching requires a vigorous program of basic research. If Howard University is to be successful in reaching the level of a truly first-class university, it must embark upon a broad and sustained program of the kind of research that results in the improvement of the quality of undergraduate and graduate instruction. While more research is needed at both of these levels of teaching, attention is particularly directed to the university's plans to expand its offering of the Ph. D degree. At the present time, Howard University provides Ph. D programs only in chemistry, physics, physiology, and zoology. Plans to begin Ph. D programs in English and history are well advanced, and it is expected that programs in these fields will begin in the fall of 1962.

We must also strengthen our research in mathematics. All of our students in engineering, physics, chemistry, and other science departments are required to take courses in mathematics. If we fail to build up our research program in mathematics, we shall be unable to provide the important undergirding that students and staff in other departments are expected to get from this field.

It is well known throughout education generally, that there is a pronounced disparity between the availability of funds for research in the social sciences and humanities, in comparison with research in the physical and biological sciences. This is especially true in the matter of basic research. The availability of \$200,000 for the fiscal year 1963 will enable the university to strengthen programs of research in these areas which receive the least support from sponsored research. The instruction in these areas will be greatly improved if teachers are enabled to direct more time and energy to research activities and if, at the same time, they can receive the support of necessary research assistants and other personnel, together with the needed equipment and supplies.

The appropriation of \$200,000 for this purpose can be described as "seed money," in that once an effective program of research is underway, it will open up opportunities for funds from a number of different sources. Thus, basic research in these areas will have a tendency to grow and be strengthened as a result of its own productivity and momentum.

3. Educational supplies and equipment, \$135,000

It is requested that the sum of \$135,000 be made available for educational supplies and equipment. The university proposes to support this request in part, through an allocation for this purpose of \$100,000 from the increase in student fee rates.

Of the \$100,000 allocated from student fees, the university proposes that \$58,000 be used to provide additional equipment in the new home economics building. It should be noted that due to the unanticipated increase in construction costs, it was found necessary to use \$58,000, originally budgeted for equipment, for construction of the building. At the time the contract was to be awarded, the Department of Health, Education, and Welfare was consulted, and it was decided to proceed with construction in the hope that the needed equipment could be provided through other means.

The new building will be completed during the current fiscal year and will be ready for occupancy at the beginning of the fall semester in 1962. The university will have a completed structure, and some of the basic equipment required will be on hand. If funds for additional equipment are not made available from this source, it will be necessary to continue the use of a large amount of existing equipment which is not adequate, and also to operate without certain equipment and furnishings which are necessary to make the building completely functional.

It is our hope that in 1964 and succeeding years, this nonrecurring sum of \$58,000 can be used for certain other specific purposes. In particular, we wish to consider the improvement of our retirement system and other benefits available to the teaching and nonteaching staffs.

The university proposes that the remaining \$42,000 of the sum of \$100,000 be used in leasing a computer and in maintaining a computer center for research activities in physics, chemistry, mathematics, engineering, architecture, medicine, and other teaching and research areas. In addition, we wish to train students in the use of modern electronic equipment.

We respectfully request that the sum of \$35,000 be made available for urgently needed supplies and equipment in other instructional areas. We propose that \$30,000 be used for mechanical engineering, electrical engineering, and civil engineering. The remaining \$5,000 would be made available for botany and zoology, to provide for the need arising from increased student enrollment.

Our experience indicates that there is a need for approximately \$1,800 in educational supplies and equipment for each teacher. During fiscal year 1962 we found that our confirmed and conservative needs exceeded our available funds by approximately \$100,000 or \$300 per teacher. This is a serious deficiency, for the absence of such vital support reduces teaching efficiency. In addition, the university fails to get the maximum return from the investment which it has made in obtaining the services of able teachers.

4. Library services, equipment, and books, \$200,000

It is requested that \$200,000 be made available for improving library services, for securing equipment, and for making additions to the book and periodical collections in the general library, the law school library, the medical-dental library, the pharmacy library, the engineering and architecture library, the Negro and Africa collections, and the departmental libraries in physics, chemistry, and fine arts. The university proposes to support this request in part, by allocating \$100,000 from the income resulting from the increase in student fee rates.

The appropriation for the 1962 fiscal year included \$101,785 for the improvement of library services and for additions to the book collections. While this appropriation was very helpful, it is necessary that we continue and, in fact, accelerate our program of library development. Our libraries require additional support in view of the expanding program of the university; the increased cost of services, equipment, materials, and books; the inadequacy of support in the past; and the growth in student enrollment.

The development in recent years of the Ph. D. programs in chemistry, physics, physiology, and zoology, and plans for the expansion of the Ph. D. programs in other fields have brought on an urgent need for increased library expenditures.

Books and periodicals required for instruction and research at this level are most expensive. The expansion of our research activities in medicine, dentistry, and in international studies, especially in the African studies program, has also added to our obligation to build up our library services.

The law school library has been struggling to meet the minimum standards required for continued accreditation. A comprehensive study of the law library by a faculty committee in 1960-61 indicated a need to add at least 29,075 volumes to the library, thereby increasing its holdings to approximately 87,500 volumes. The achievement of this goal alone would cost an estimated \$231,893.

It is pertinent also to compare the collection of journals and periodicals at Howard with other institutions. In 1959-60 Howard University subscribed to 2,452 periodicals; the median number to which 116 institutions subscribed in 1958-59 was 3,559.

The university proposes to distribute the requested sum of \$200,000 as follows: \$29,785 for library personnel, \$2,532 for personnel benefits, \$10,000 for remodeling and improved lighting in the engineering and architecture library to remove deficiencies noted by the accrediting agency, \$20,000 for library equipment, and \$137,683 for additions to the book and periodical collections.

5. Scholarships, fellowships, and traineeships, \$150,000

The university respectfully proposes to allocate the sum of \$150,000 anticipated from the increase in student fee rates for additional student aid in the form of scholarships, fellowships, and traineeships.

For the past 20 years, Howard University has conducted a precollege guidance and national competitive scholarship examination program. This program has enabled the university to discover many able students and has made it possible for some of these students to enroll at Howard. In 1960-61 this program was conducted in 129 cities located in 27 States and the District of Columbia. Ninety-two examinations were administered to a total of 3,452 students representing 359 high schools.

The scholarship committee found it very difficult to eliminate any of the 300 top-ranking students from consideration for awards. All of those who received scholarships ranked in the top quarter of their graduating classes, and at or above the 89th percentile of the national norm of the scholarship examination. The university proposes to broaden this program by making awards to a larger number of well-qualified students, and to raise the amount of each award in line with increases in student fee rates. The estimated additional cost to initiate this program in 1962-63 is \$75,000.

At the present time Howard awards a total of approximately 590 scholarships throughout the university. This is somewhat less than 10 percent of our enrollment. It is of interest to note that in 1958-59 when Howard awarded scholarships to 8 percent of its students, Brown University awarded scholarships to 18 percent of its students, Fisk University awarded scholarships to 20 percent, Hampton Institute awarded scholarships to 28 percent, and Morehouse College awarded scholarships to 26 percent. It is relevant also to observe that in institutions where the overwhelming majority of the students come from lower income families, the need for scholarship assistance is urgent.

The university wishes also to address itself to the problems of students in medicine and dentistry. Many able undergraduate students are discouraged from enrolling in these fields when they look at the 4-year program of study, the intern and residence period of training, and the high costs of a medical education. It is observed by medical and dental schools throughout the country that there is a decline in the number of applications from the best students. We can increase the number of able applicants at Howard if there is an increase in available scholarship funds. We propose to allocate at least \$25,000 of the total amount of \$150,000 for scholarships for these potentially able students.

We propose also to allocate at least \$25,000 for additional student aid in the graduate school. This is something which we must do not only in support of our existing graduate program, but also because of our plans to expand our graduate offerings. The remaining \$25,000 will be used to offset increases in student fee rates for present scholarship holders in liberal arts, fine arts, engineering and architecture, social work, law, and pharmacy.

II. FOR THE REHABILITATION OF THE PHYSICAL PLANT AND IMPROVEMENT IN ITS OPERATION AND MAINTENANCE, \$212,000

1. *Operation and maintenance of the new home economics building, \$45,000*

It is requested that the sum of \$45,000 be appropriated to provide for the operation and maintenance of the new home economics building which is now under construction and will be occupied before the opening of classes in the fall of 1962. The building will add approximately 33,668 net square feet to the university facilities operated and maintained by our buildings and grounds department. Since the building now occupied by the department of home economics will be used as a student union center, it is not possible to effectuate savings which could result from abandoning the present structure. The wooden temporary building now utilized as a student union center is outmoded and will be razed as soon as possible.

2. *Additional staff for the prevention of accumulated deterioration, \$70,000*

It is requested that \$70,000 be appropriated to provide additional staff to prevent the continued accumulation of deterioration in the physical plant.

The survey of the university's physical plant by the Public Buildings Administration in 1948 concluded that the university was attempting to perform services normally required of 189 men with a staff of only 131. The report pointed to the urgent need for 58 additional positions.

The educational plant in 1948 consisted of 23 buildings having approximately 524,228 net square feet. In 1962 we expect to operate and maintain 37 educational buildings with 1,101,075 net square feet—an increase of 576,847 net square feet or 110 percent more than in 1948. During the 14 intervening years, 60 new positions have been added to the staff but the shortage of 58 positions has not been overcome. The present request for \$70,000 is made in order that 15 new positions can be added. These 15 new positions will be very helpful in eliminating some of the present deterioration in the physical plant, and in enabling us to undertake a limited program designed to prevent further deterioration.

3. *Operational supplies, equipment, and expense in support of additional staff, \$47,000*

It is requested that \$47,000 be made available to provide supplies and equipment needed by the additional staff. This will make possible the use of machinery and techniques needed in making building repairs and in furthering the development in our mechanical services.

4. *Projects for the elimination of accumulated deterioration in the physical plant, \$50,000*

It is respectfully requested that \$50,000 be appropriated in order to accomplish nine projects intended to assist in rehabilitating the physical plant. In 1956 the Government supported the university's request for \$357,513 to eliminate accumulated deterioration in the physical plant. However, the appropriations to accomplish them were distributed over a period of 7 years. Because there was an insufficient number of positions to do an adequate job, it was not possible to prevent continued deterioration during this period.

This request for \$50,000 will help to relieve some of the present accumulated deterioration, while the request for \$70,000 for additional staff and \$47,000 for supplies and equipment will aid in the prevention of further deterioration.

III. SERVICES RENDERED TO FREEDMEN'S HOSPITAL ON A REIMBURSABLE BASIS, \$43,000

The sum of \$43,000 is indicated as an increase in the university's obligations. This increase covers steam for the third floor of the hospital annex which is to be reopened as a full-pay pavilion and also covers the additional personnel services for which the university expects to be reimbursed by the hospital.

Offsets to gross increase in requests for Howard University

The gross increase in the request made for the university totals \$1,005,000. The gross increase is offset by the following: (1) An estimated increase of \$450,000 in student tuition and fees resulting from an increase in rates, (2) the reduction of the 1962 appropriation by \$27,000 for nonrecurring physical plant repairs, and (3) an increase in reimbursement from Freedmen's Hospital in the amount of \$43,000. These items total \$520,000.

Plans and specifications, Howard University

The sum of \$86,000 is here respectfully requested for two projects as follows: (1) Complete plans and specifications for a new school of social work building, to be erected at an estimated total cost of \$917,000, and (2) a master plan study.

At present the school of social work is housed in a small building constructed in 1910 for instruction in applied science. This building has about 9,000 square feet of usable space and is very inadequate in area and accommodations for the present enrollment. It has only 2 lecture rooms which can provide for the first-year class of 60 to 65 students and only 2 classrooms for groups of 20 to 25 students. The building provides no facility for use of audiovisual aids or laboratory for research practice. At present, the school must depend on the use of facilities of various social work agencies to supply the group work laboratory components in the educational program.

The proposed new building will be designed to provide for about seven classrooms and seminar rooms, a group work laboratory, a library, offices, and other supporting spaces.

The appropriation of \$30,000 for the master plan study is intended to provide for a study in depth of the educational and related physical plant needs of the university for a number of decades in the future. The master development program which is our present guide was completed in 1951. Its basis, however, essentially rests on the original 1931 program.

The 1951 program envisioned a full-time equivalent enrollment of 5,200 students, in addition to as many evening and summer students as could be accommodated. It is to be noted that the full-time equivalent enrollment is already more than 5,400, and it can be expected that this enrollment will continue to increase. We must therefore reexamine our physical setting with respect to the enrollment which is already here, as well as in terms of our expansion in the future. Our campus is at present limited to 50.5 acres and is in heavy use. We suffer from many of the limitations commonly experienced by urban universities and must make the best use of our present land resources. In addition, we must also give attention to our inclusion in the city's program of urban redevelopment.

Construction of buildings, Howard University

It is respectfully requested that \$5,531,000 be provided for construction projects as follows: (1) \$2,225,000 for construction of a new classroom building; (2) \$2,470,000 for construction of a new women's dormitory; (3) \$550,000 for purchase, renovation, and equipment of a warehouse service building; and (4) \$286,000 for powerplant facilities and renovations to the electrical and steam distribution system.

The proposed new classroom building is to be used for the students enrolled in the college of liberal arts and the graduate school. This is one of the two general classroom buildings which were included in the master development program in 1951.

The full-time equivalent enrollment in liberal arts and in the graduate school for the first semester of the 1961-62 school year is 3,205 compared with the enrollment of 3,000 which was called for by the 1951 plan. Thus it may be seen that the second classroom building is needed now. It should also be pointed out that the college of liberal arts has the obligation to instruct 43 percent of the students in engineering and architecture, 21.5 percent of the students in fine arts, and 50 percent of the students in the college of pharmacy.

The proposed new building will provide for 15 general purpose classrooms, 3 seminar rooms, 6 large classroom-laboratories, and 5 laboratories for business, statistics, and astronomy. Two areas will be provided for education research and curriculum studies. This building will also contain 54 offices for teachers to make up for the deficiency in office space available in the existing general classroom building. It is proposed that this building be fully air-conditioned, in order that the university can have one general teaching facility for the increased development of summer school programs and for the possibility of the three-term school year in the future.

In connection with the requested appropriation for the construction of a women's dormitory, it is to be noted that the university presently provides housing on the campus for 653 women students. It is possible to house this number only because the normal capacity of 552 has been increased by the addition of students in rooms designed for a smaller number, and by making use of rooms

which were intended for other purposes. In addition, in order to meet the urgent demands of housing for undergraduate women, no dormitory space is provided for women enrolled in the professional and graduate schools and for all women above the age of 25. It is to be noted also that in the fall of 1961, almost 200 women applicants, who would have been admitted as freshmen, were denied admission solely because of lack of housing in our dormitories.

The new building is intended to accommodate 300 students. The university proposes also that this dormitory be provided with air conditioning as a part of the complement of basic facilities for use during the summer school and for the possible three-term school year.

In connection with the request for the appropriation of \$550,000 for the purchase, renovation, and equipment of a warehouse service building, it should be noted that the 1962 budget included the sum of \$52,000 for the preparation of plans and specifications for the construction of a warehouse service building estimated to cost \$839,000. Following the appropriation of this amount, the university was approached relative to the purchase of a building located adjacent to the campus. We find this building to be suitable as an acceptable substitute for a major portion of the services proposed to be housed in the new building.

While negotiations have not been concluded with the owner of the building we propose to buy, he has indicated a willingness to accept a selling price of \$400,000. The amount remaining from the requested appropriation of \$550,000 would be used for renovation and equipment of the building.

The purchase of this building will save approximately \$276,000 from the original estimated cost of a new warehouse service building. In addition, the university will have access to urgently needed space more quickly than could be done if the new building were to be constructed. The location of the existing structure is well suited to the functions of our buildings and grounds department and will enable the university to make other use of the land which had been designated as the site for the construction of the new building.

In connection with the request for an appropriation of \$286,000 for power-plant facilities and renovations to the electrical and steam distribution systems, it should be noted that there is a need for expansion resulting from the university's building program. In addition, the transfer of Freedmen's Hospital to the university which has already been authorized also makes it important to secure renovations and repairs to existing electrical and steam distribution systems. We wish also to point out that the work which is proposed arises out of the recommendations of the steamplant and distribution survey which was completed by the Public Buildings Service in April 1960.

SUMMARY STATEMENT

Mr. NABRIT. Before I read this summary, I wish to say that the university is very grateful to the members of this committee and to the Congress for the very thoughtful consideration given us last year.

Mr. DENTON. We made appropriations available to you and Galaudet College so you both could become accredited schools. We are very proud of that, too.

Mr. NABRIT. Thank you, Mr. Chairman.

SALARIES AND EXPENSES

Mr. Chairman and members of the committee, the sum of \$7,492,000 requested for "Salaries and expenses" for Howard University represents a net increase of \$485,000 above the appropriation of \$7,007,000 for the fiscal year 1962, and is intended to accomplish two major purposes; namely, the improvement of our instructional program, and the rehabilitation and improvement in operation and maintenance of our physical plant. Included under the improvement of the instructional program are the following items totaling \$750,000: (1) \$65,000 for merit salary increases for the teaching staff; (2) \$200,000 for basic research in the social sciences, humanities, and mathematics; (3) \$135,-

000 for educational supplies and equipment; (4) \$200,000 for library services, equipment, and books; and (5) \$150,000 for scholarships, fellowships, and traineeships. In connection with the rehabilitation of the physical plant and the improvement of its operation and maintenance are the following items totaling \$212,000; (1) \$45,000 for the operation and maintenance of the new Home Economics Building; (2) \$70,000 for additional staff for the prevention of accumulated deterioration in the physical plant; (3) \$47,000 for operational supplies, equipment, and expense in support of the additional physical plant staff; and (4) \$50,000 for nine projects for the elimination of accumulated deterioration in the physical plant. In addition, included in the gross amount requested is \$43,000 in services rendered by the university to Freedmen's Hospital on a reimbursable basis.

The gross increase in the amount of \$1,005,000 is offset by \$450,000 anticipated from the increase in student fee rates, the reduction of the 1962 appropriation by \$27,000 for nonrecurring physical plant repair, and an increase of \$43,000 in reimbursements from Freedmen's Hospital.

PLANS AND SPECIFICATIONS

The sum of \$86,000 requested for "Plans and specifications" is designed to provide \$56,000 for complete plans and specifications for a new school of social work building and \$30,000 for a master plan study.

CONSTRUCTION

The sum of \$5,531,000 is requested for the following construction projects: (1) \$2,225,000 for construction of a new classroom building; (2) \$2,470,000 for construction of a new women's dormitory; (3) \$550,000 for the purchase, renovation, and equipment of a warehouse service building; and (4) \$286,000 for powerplant facilities and renovations to the electrical and steam distribution system.

Mr. DENTON. The appropriation for 1962 is \$7,007,000. The request for 1963 is \$7,492,000. That is an increase of \$485,000.

STUDENT FEES

Increases in other income total \$493,000, making a total increase of \$978,000.

The big increase in other income is due to the increase in student fees. Is that correct?

Mr. NABRIT. That is correct.

Mr. DENTON. What are the student fees?

Mr. NABRIT. The student fees at Howard University for all of the schools and colleges except medicine and dentistry are \$213. That is the tuition fee.

Mr. DENTON. Is that not low today?

Mr. NABRIT. That is exactly why we are proposing to raise our fees.

Let me say this for the benefit of the committee: Although this is low, this is higher than 15 land grant colleges, including those in this area, and ranging all the way down to Tennessee and going all the way out as far as Minnesota. Their fees are much lower than ours.

Mr. DENTON. Many State universities operate under laws providing they cannot charge tuition but they charge fees.

Mr. NABRIT. But if you look at the bottom they will have the fee as, for example, \$80. The highest one of all is \$225, at Tennessee. Tennessee has a law you cannot charge tuition, but down in the catalog they state the fee.

Howard University is higher than all of these. I will give you one way to look at it, Mr. Chairman: The percentage of the budget received in student fees ranges from 3.7 up to 19.01.

Howard University is 19.01. In other words, we receive from our students already anywhere from 3, 4, and 5 times as much percentage-wise, as any one of 15 land grant colleges, including Maryland.

Mr. DENTON. Are you proposing to raise them?

Mr. NABRIT. Yes; an average of \$90. I think I should tell you why. We are so excited by the steps which the committee and the Government took last year in moving us toward a qualitative position, and we are so anxious to be there that, even though we are now in that high position with respect to these fees we feel we ought to raise them. Especially because this is the first time we have had this goal in our grasp, and we want to get hold of it before it is too late. That will put us up still higher. We will then be around \$390 as an average.

Mr. DENTON. Is that for a whole year?

Mr. NABRIT. That is right. If it were for a semester we would have to close up because we have the poorest group of students in the country and those most affected by unemployment.

The other reason we wanted to raise these fees, in addition to the stimulus which you gave us, was that we wanted to do some things which we thought needed to be done at once. One of these things was to increase the money available for scholarships.

We have gone out with a program which we have been carrying on for 20 years where we discovered talented students in 92 cities within the United States. Of these students we have been choosing 11 as the top winners who would get \$1,000 each for their schooling at Howard, and then perhaps 20 others at \$500 each. We have found our best students that way.

We found more students we could not get at all that are better than all the students we have except this small group we have gotten.

It is our view that with the kind of program which we have at Howard, and the kind of support we are getting, the Government is entitled to our getting the best students to be found. That is part of our reason for raising our fees. We know where they are and we want to use this money to get them.

Mr. DENTON. On pages 103 and 104 you have outlined the increases in your budget. You have commented on a good many of them. Have you covered them all?

Mr. NABRIT. While I am doing that, may I say that this \$390 we are talking about does not include room and board for the students. That is in addition. They pay for that in addition.

On page 153 there is a schedule of the fees as they now are, the proposed increase, and what the fee will be in 1962-63.

Mr. MARSHALL. We shall place that in the record at this point.

(The information requested follows:)

Schedule of comprehensive tuition fees for 1961-62 and proposed for 1962-63¹

School or college	1961-62	Proposed for 1962-63	Increase
Graduate school.....	\$270	\$370	\$100
Social work.....	262	370	108
Liberal arts.....	270	370	100
Engineering and architecture.....	270	370	100
Pharmacy.....	270	370	100
Dental hygiene.....	270	370	100
Law.....	252	350	98
Religion.....	252	350	98
Medicine.....	557	650	93
Dentistry.....	407	500	93
Music.....	300	400	100
Fine Arts.....	270	370	100

¹ The comprehensive tuition fee includes fees previously charged for tuition, and intercollegiate and intra-mural athletics, health service, library, laboratory, and graduation fees.

IMPROVEMENT OF INSTRUCTION

Mr. NABRIT. In answer to a question of Mr. Denton, I would like to say a word about the \$750,000 requested for improvements in the instructional program. That is divided up into several items. I might say something about how that is made up.

The \$65,000 is requested to provide merit salary increases for part of the faculty. These are not across-the-board increases. These are not cost-of-living increases. This is where we select certain teachers who, because of their research activities, their publications, and because they are doing an outstanding teaching job, have merited promotions. For example, we have two teachers who come to mind now who have published books during this year. They would fall in that category.

We have a half-dozen who have completed work for their Ph.D. It is a merit salary increase which does not go to all of the faculty but to some. This is the \$65,000 which we ask for so we can continue this kind of reward. The average amount would be about \$400 to \$500. In some exceptional cases it has been as much as \$1,000.

Mr. MARSHALL. You have had a program comparable to that in effect in previous years, have you not?

Mr. NABRIT. That is right, and we have it this year.

CURRICULUM RESEARCH

I would say the second item I want to especially call to the committee's attention is this item for research in the social sciences, humanities, and mathematics. Again this is related to our desire to raise our fees. We wanted to make available for our own staff money for research sponsored by the university. We felt the best way to do that would simply be to do that out of money we got from raising the fees because we cannot do graduate work without a research program, and in the humanities and social sciences, although funds are available, they are not as easily available as they are in the sciences.

In the sciences we have almost \$1 million worth of research going on. However, in the humanities and social sciences we have very little.

It is our belief that in order to develop graduate work, especially that leading to a Ph. D. degree, we would need money for research activities. It is for that purpose that we have made this request for \$200,000.

EDUCATIONAL EQUIPMENT AND SUPPLIES

Then we have asked for educational supplies and equipment, \$135,000. We are also supporting this from this \$450,000. We are asking that \$100,000 of our increase in fees be put in for additional educational supplies and equipment.

Here is one thing that I particularly want to call to your attention. When we were building the Home Economics Building we found that because of the unanticipated increase in construction costs that we had \$58,000 less money than we needed to completely furnish the building.

The Department asked us what we would do. We said we would take the building minus that \$58,000 worth of equipment and that we could use the building. We still say that. However, we felt that here again was a place where raising our fees would enable us to put that \$58,000 worth of equipment in there because we need it. This would be a good use of part of that money.

I should also say to you that next year, however, I do not plan to come in and say that that is a nonrecurring item because next year I wish to take that \$58,000 and put it over into scholarships.

I want you to understand that we are keeping our commitment made with respect to the home economics building but we also want to see that building completely equipped. Therefore we ask to be permitted to do it this way.

LIBRARY SERVICE

The other item about which I wanted to make a statement is library services, equipment, and books, \$200,000. I keep pressing on this matter of the library, Mr. Chairman, because we just cannot develop the kind of program we are developing without an adequate library. We not only have a deficiency in different kinds and categories of books but we have deficiencies in numbers of books where you have them being used for large groups. We also are over 1,000 periodicals below the national mean for libraries and universities, so that we need at least \$200,000 a year for 10 years to bring our library up to where it should be.

We feel so strongly about this that we want to take \$100,000 out of these increased fees, and allocate it toward this \$200,000 for books, supplies, and staffing the library.

Mr. MARSHALL. You are asking for \$157,683 for additions to your book collection and equipment. That is an increase over last year.

How much are you asking altogether?

Mr. NABRIT. \$569,258. This is on page 139.

Mr. KELLY. That is not just books and equipment, however. This includes the staff to operate the library.

Mr. NABRIT. That is right.

Mr. MARSHALL. The figure you gave me, then, is not a figure which is comparable to the \$157,000, is it?

Mr. NABRIT. No.

Mr. MARSHALL. I would like the figure comparable to the increase of the \$157,683, just that one item.

Mr. NABRIT. If you look at page 139, Mr. Chairman, the figure is \$287,998. It is the figure just before the last figure in the center column.

Mr. MARSHALL. That is a considerable increase over what you had last year for that item.

Mr. NABRIT. It is.

Mr. MARSHALL. You have more than doubled it.

Mr. NABRIT. You must remember you gave us \$101,785 for improvement of our library this year. There is no question about the fact we are increasing the support. That is one of the weakest places in the university, if in my judgment it is not the weakest place. Therefore we want to contribute toward your effort to improve it.

You have already given us \$101,785 more this year than we had last year. What we are asking is that you give us \$100,000 more for next year and we will put up \$100,000 more, and if we can keep this up we will be able to get a library suitable for doing graduate and professional work.

Mr. MARSHALL. The Bureau of the Budget raised no question concerning this?

Mr. NABRIT. They were delighted. They could see what we were trying to do, and I have the books by name, and the cost at which they can be bought. In other words, it is not something I am just talking about but we have books needed for each area.

Mr. KELLY. We made some comparisons between the library at Howard University and comparable universities. There is no question that this library is deficient for an educational institution of this many offerings and it will take some period of time before it is brought up to a reasonable standard.

Mr. NABRIT. I would say another thing, Mr. Chairman: I was in the law school so I could speak more from experience in that connection. In the law library we needed 29,000 additional volumes when I left. That in itself would exceed in cost all the money we plan to spend in the library for the next 2 or 3 years, and that is only one area.

Mr. MARSHALL. Will you proceed to the next item of student aid, \$150,000?

SCHOLARSHIPS AND FELLOWSHIPS

Mr. NABRIT. The next item is scholarships and fellowships. I have already spoken about that, \$150,000.

OPERATION AND MAINTENANCE AND REHABILITATION OF THE PHYSICAL PLANT

Unless the committee has some further questions about the \$75,000 item I would then move to the rehabilitation of the physical plant.

Mr. MARSHALL. You may proceed.

Mr. NABRIT. As you know, the home economics building, Mr. Chairman, is nearing completion. It will be a very fine building, and the committee will be proud of it. We hope to open it and occupy it in the fall of 1962.

In order to operate the building we are asking for \$45,000 for operation and maintenance. You might think that since the building where

we are now will be vacant, that we therefore would not need the additional maintenance, but the building that is now occupied by home economics will be the student union building until such time as we can erect one, so we will need \$45,000 for that.

We asked for \$70,000 for additional staff to prevent additional accumulation of deterioration in the physical plant.

We have had this problem up before the committee, and the committee has helped us all along.

This time we are asking for an additional item of \$47,000 to provide supplies and equipment needed by the additional staff.

What we are trying to do is to prevent accumulation of deterioration by having the kind of staff that will enable us to do it, and at the same time we are seeking \$50,000 to eliminate that deterioration which has occurred while we have been undergoing these projects which the committee so thoughtfully has given us the past 7 years.

We believe that the personnel for which we are asking, together with the supplies and the projects, will bring the plant up to a point where the staff can operate it and not have these heavy requirements for elimination of deterioration.

Mr. MARSHALL. Did you wish to say something about your nine projects for \$50,000 in rehabilitation of the physical plant?

Mr. NABRIT. Yes, Mr. Chairman.

On page 131 we have asked for \$50,000 for elimination of deterioration. Of this amount, sir, \$16,500 is for replacing defective plumbing in the kitchen, defective hot and cold water, all in Slowe Hall, and in Douglass Hall to resurface some of the blackboards. We are doing that in some places.

The other \$14,500 is for mechanical equipment repairs. They range all the way from the chemistry building to the medical, dental, and pharmacy building.

The last \$19,000 is for painting the interior and exterior of the dental school. The total for these nine projects is \$50,000.

We believe if we can get these projects plus the staff which we have asked for that we would then have this in a manageable situation.

We have asked for \$86,000, Mr. Chairman, for plans and specifications: One, for a new school—

1962 INCREASE IN FEDERAL AND NON-FEDERAL FUNDS

Mr. MARSHALL. Before we go into that perhaps we had better finish with your salary and expenses.

You made mention of this, but for the purpose of the record we would like to have you itemize it for us. You say you received quite a large increase of \$1,517,000 in appropriated funds for fiscal year 1962. How much are non-Federal funds increasing in 1962?

Mr. NABRIT. About \$146,850.

Mr. MARSHALL. Then for the record would you itemize how you are using the total increase in these funds for 1962?

Mr. NABRIT. Yes, sir.

(The information requested follows:)

The budget estimates indicate that the university estimates it will receive \$4,794,460 in non-Federal funds during the current fiscal year, or a net increase of \$146,850 over the \$4,648,610 reported for the fiscal year 1961. This increase has been budgeted for two major areas.

First, the sum of \$77,000, which was anticipated as a part of Howard University's estimates for 1962, is being used to support scheduled improvements in the instructional program.

The second area to benefit from the remaining \$69,850 income will be services that support the instructional program, such as (1) an electronic data-processing center, which is intended to improve on the registration of students, to speed up the recording and reporting of academic data, and to update the recording and reporting of financial data, and (2) student activities, such as the student center, the student newspaper, and residence hall program.

JUSTIFICATION FOR 10-YEAR INCREASE

Mr. MARSHALL. You are asking for about three times as much for 1963 as was appropriated for the university 10 years ago. We would like to have you place in the record a statement justifying this large increase. Can you do that?

Mr. NABRIT. I would be happy to. You refer to the 10-year period?

Mr. MARSHALL. Yes.

(The information requested follows:)

Howard University has received appropriation increases in the total amount of \$4,332,000, over a 10-year period from fiscal year 1953 to the present.

There are four major factors which have influenced this increase. The first factor is related to improvement in the quality of instruction growing out of an examination of the university program by the Middle States Association of Colleges and Secondary Schools for accreditation, and the increase of 50 percent in student body from 4,768 in 1953-54 to an estimate of 7,132 in 1961-62. The university was examined by this agency in 1954 and found to be deficient in so many areas, that full accreditation was held up for a period of 2 years. These deficiencies were brought to the attention of the Congress, with the result that accreditation was finally approved, following a determined effort on the part of the Congress to bring the financial support for the program at Howard University up to the median of that received for a select group of land-grant universities with medical curriculums. Appropriations in the net amount of \$2,357,630 were made for the improvement of instruction in the following categories:

Teachers (263 positions)-----	\$1, 853, 650
Supporting personnel (120 positions)-----	443, 659
Improvement in the salaries for teachers-----	232, 000
Educational supplies, expense, and equipment-----	337, 782
Improvements in library service and book collection (including 10 positions)-----	134, 275
Gross increase-----	<u>3, 001, 366</u>
Less:	
Increase in student fee income-----	428, 736
Reduction in 1954 appropriation-----	215, 000
	<u>643, 736</u>
	<u>2, 357, 630</u>

The second factor in the need for increased appropriations for Howard University has been the steady rise in the cost of living. In order to meet this urgent need, the Congress made available cost-of-living pay increases to university employees comparable to those granted workers in Federal employment, at a total cost of \$1,278,600 on the 10-year period. These pay increases have enabled the university to retain capable and efficient workers, and to recruit new employees with some assurance that they would be willing to accept salaries available.

The improvement of personnel, or staff benefits, is a third factor in the rise of appropriations for Howard University. One of the major deficiencies noted by the Middle States Association accrediting body at the time of their visit

in 1954 was the absence of a comprehensive personnel or staff benefits program for teachers and nonteachers. There was a retirement and workmen's compensation program in existence during the year 1954, but there was no salary within-grade advances similar to those enjoyed by Government workers, and no life or health insurance programs. The Congress authorized increases of \$295,873 over the 10-year period to correct this condition.

A fourth factor influencing the rise in appropriations for Howard University has been the increase in number of new buildings that have been erected on the campus, and the need to keep existing structures in an acceptable state of repair. The increased sum of \$399,897 has been provided, including 48 new positions, for this purpose.

The encouragement given by the Congress to the educational program through increased appropriations has made it possible for Howard University to place some emphasis on quality of instruction on a minimum basis acceptable to our accrediting agency. Continued improvement in this phase of our work is necessary as the university approaches another accreditation examination in another 2 years.

PLANS AND SPECIFICATIONS

SOCIAL WORK BUILDING

Mr. DENTON. Let us go to plans and specifications. You are requesting \$86,000 for plans and specifications; \$56,000 is for the social work building.

Mr. NABRIT. That is right.

Mr. DENTON. Tell us why you need this building.

Mr. NABRIT. We need this building because we are now housed in a small building constructed in about 1910 for applied science. It had only 9,000 square feet of usable space. It is very inadequate in area and accommodations. It has only 2 lecture rooms for the first-year class and only 2 for groups of 20 or 25 students. It has no facility for any of the laboratory aids and modern developments. The school has to use the social work agencies in Washington and Baltimore as laboratories for these purposes, so it is needed in order that the school may maintain its program and also its accredited rating.

Mr. DENTON. What kind of building will it be?

Mr. NABRIT. It will be a building of seven classrooms with seminar rooms. There will be a group work laboratory. There will be offices for the teachers. There will be workspace for the students, locker space, and places we can put vending machines and things of that sort. There will also be a reading area, not a library, in the building. We do not plan to make a separate library for the school of social work.

Mr. DENTON. Approximately what will the building cost?

Mr. NABRIT. It is estimated it will cost \$917,000.

MASTER DEVELOPMENT PLAN

Mr. DENTON. The other \$30,000 is for a master development plan. Who will make this study?

Mr. NABRIT. I would like to have it done by PBS. I am not yet sure whether they will be able to undertake it. Mr. Palmer is present in the room.

If you will remember, Mr. Chairman, you gave us some money for a master development plan several years ago which we are using. That was produced by the Public Buildings Administration. We are hoping they will undertake this one, also. If they do not, we are hoping they will help us find a person who would be reliable.

Mr. DENTON. Why are they charging you so much for it?

Mr. NABRIT. They are charging so much because if you look at the one they produced before it was about 3 feet long and about 2 feet wide. It was approximately a half inch thick. It had everything from our electrical and steam distribution systems to all of the topographical surveys, locations, and space areas for all of the buildings. It has been the only thing which has enabled us to accommodate the building program.

Mr. DENTON. How much did that cost?

Mr. NABRIT. \$50,000.

Mr. DENTON. What will you do with this \$30,000; the same as you did before?

Mr. NABRIT. Not the same because this time we will have to have them look not only at what we can do with the little land area we have left but, if possible, an extension of our land area in the vicinity of Howard. The Redevelopment Land Agency is now engaged in a redevelopment study and project in that area. For us to get any consideration, they say we must produce a plan for use of any area in the neighborhood.

SCOPE OF THE NEW MASTER PLAN

Mr. DENTON. This old plan we had took care of your present facilities?

Mr. NABRIT. That is correct.

Mr. DENTON. But this is supposed to take care of additional facilities you will get under the redevelopment program?

Mr. NABRIT. Yes. Also, as I said in the other hearing about Freedmen's, we need it now really to accommodate the new hospital.

Mr. KELLY. That original master plan was developed when the university was anticipating, if I recall the figures, a full-time equivalent enrollment of 5,200. They now, in anticipation of the enrollment increases occurring in colleges generally and Howard in particular, have the necessity to develop a plan for an expansion of enrollment to know what facilities they will require and how they would accommodate an increased student body.

Mr. DENTON. What is the distance between Freedmen's Hospital and the university?

Mr. NABRIT. Freedmen's Hospital is on land owned by Howard University.

Mr. DENTON. The medical school?

Mr. NABRIT. I am talking about the hospital, not the medical school. We lease the land where Freedmen's Hospital is located to the Federal Government for \$1 a year, for 99 years.

Mr. DENTON. That is right by the ball park at Florida and Georgia?

Mr. NABRIT. No. Right back of the ball park is the medical school. Then in front of the medical school is a lot. Part of that lot is occupied by this annex they were asking for money to put the 50 beds in. Then across the street from that is the present Freedmen's Hospital. All of that land belongs to Howard.

Mr. DENTON. North of there—

Mr. NABRIT. Are the chemistry building, pharmacy building.

Mr. DENTON. Is it that close together?

Mr. NABRIT. Just as close as across the street.

Mr. DENTON. I drove through there, and it seemed crowded to me at the time.

Mr. NABRIT. This is where you were going, where I am telling you now. You were in that section.

STUDENT ENROLLMENT

I want to also say about these figures Mr. Kelly reported, we know that for that expected 5,200 full-time equivalent enrollment we now have on the campus 5,400 full-time students, so we are now 200 full-time students beyond the plan that this building master plan predicted.

Mr. DENTON. Your enrollment is still increasing?

Mr. NABRIT. Yes; including summer school we will have over 7,000 students enrolled this year, but we will have, in my judgment, that many full-time students at the end of this decade.

Mr. DENTON. The chart they gave us today would tend to indicate that.

Mr. NABRIT. Yes, that will happen. What did they give you, Mr. Chairman?

Mr. DENTON. This medical statistics chart which indicates the population in that age group is going to expand considerably.

Mr. NABRIT. That is right.

Mr. DENTON. We will put the enrollment statistics from your justifications in the record.

(The statistics follow:)

Gross enrollment by schools and colleges¹ for years 1959 through 1963

	1959 actual	1960 actual	1961 actual	1962 esti- mate	1963 esti- mate
GRADUATE AND UNDERGRADUATE					
1. Graduate school.....	585	726	723	744	762
2. Liberal arts.....	2,861	3,122	3,472	3,613	3,671
Total.....	3,446	3,848	4,195	4,357	4,433
PROFESSIONAL SCHOOLS					
3. Engineering and architecture.....	862	898	826	794	700
4. Music.....	292	309	316	326	326
5. Social work.....	123	129	135	144	144
6. Medicine.....	336	355	368	374	392
7. Dentistry.....	587	644	722	749	749
8. Pharmacy.....	147	161	179	187	187
9. Law.....	104	106	105	111	111
10. Religion.....	62	57	64	90	90
Total.....	2,513	2,659	2,715	2,775	2,699
Total, regular program.....	5,959	6,507	6,910	7,132	7,132

¹ Gross enrollment for 2 semesters and summer school, for full-time and part-time students, including junior music, dental post-graduate seminar, dental clinic students.

Full-time equivalent enrollment by schools¹ and colleges for years 1959 through 1963

	1959 actual	1960 actual	1961 actual	1962 estimate	1963 estimate
GRADUATE AND UNDERGRADUATE					
1. Graduate school.....	314	375	388	409	429
2. Liberal arts.....	1,998	2,465	2,704	2,845	2,970
Total.....	2,312	2,840	3,092	3,254	3,399
PROFESSIONAL SCHOOLS					
3. Engineering and architecture.....	820	826	830	798	600
4. Music.....	135	152	163	173	173
5. Social work.....	159	163	184	193	193
6. Medicine.....	333	353	362	368	362
7. Dentistry.....	269	296	309	335	360
8. Pharmacy.....	134	156	175	183	183
9. Law.....	100	105	105	111	115
10. Religion.....	48	44	47	73	73
Total.....	1,998	2,095	2,175	2,234	2,089
Total, regular program.....	4,310	4,935	5,267	5,488	5,488

¹ Based upon fall semester's enrollment. Summer school enrollment is not included.

CONSTRUCTION

CLASSROOM BUILDING

MR. DENTON. Let us go to construction. You are asking \$5,531,000 for construction. The first item is classroom building No. 2. The amount of that is \$2,225,000. Tell us what the current situation is that makes this building necessary.

MR. NABRIT. We have at the present time in liberal arts, for which this building is to be built, 3,205 students. That is right at the moment. Under the master plan we are supposed to have 3,000. So that we already have that many more.

But in addition to teaching the liberal arts students, the College of Liberal Arts teaches 43 percent of the students in engineering and architecture. They take their first 2 years in liberal arts and the other 3 years in engineering and architecture.

MR. DENTON. Everybody does that, do they not, lawyers, doctors?

MR. NABRIT. No; they do not do that. Pharmacy does. We have 50 percent of the pharmacy students, but we keep them 2 years in liberal arts. In law you go over to the school of law and we do not let you go back over into the college. Twenty-one percent of the college is in fine arts. So that right now we are having difficulty with our classes. We are holding classes and teachers have offices in the library, the administration building, the chapel and quonset huts. I hesitate to go around some of the buildings because I do not want to see where they are because they are in such a bad condition. But in addition to that, we have no building on the campus that is equipped to take advantage of modern developments in new teaching techniques, in the use of these teaching machines and use of television, in the use of language laboratories. We have no facilities for that.

This building we envision as that kind of building, plus the fact that we run a heavy summer school, about 3,000 students. We have

no building that is air conditioned. This we plan to have air conditioned in order to have one classroom, one dormitory for women, one for men, and a dining room air conditioned. That would give us a small summer program unit.

Mr. DENTON. Are the plans and specifications complete for this building?

Mr. NABRIT. They will be complete by the end of this spring.

Mr. DENTON. The money you have asked for is \$2,225,000. Will that complete and equip the building, too?

Mr. NABRIT. Yes.

Mr. DENTON. You will not have to come back for equipment?

Mr. NABRIT. No, sir. If we do, we will do like we are doing with the home economics. We would do it ourselves.

Mr. DENTON. Describe the building; what it will look like, and where it will be located.

Mr. NABRIT. Mr. Chairman, you remember the tall building with the clock on it, the library?

Mr. DENTON. Yes.

Mr. NABRIT. It is to the right of the library overlooking the reservoir and to the left of that new home economics building that was going up when you were out there. It is a beautiful location.

Mr. DENTON. Will you describe it, please.

Mr. NABRIT. It will have 15 general-purpose classrooms. That is, of various sizes. It will have three seminar rooms, six large classroom laboratories, fixed up as I have just said, with the latest teaching techniques and machines and language recording equipment, laboratories for business and the use of modern instruments in statistics.

Two of the areas in the building will be provided for research in education and curriculum studies. It will have 54 offices for teachers. It is proposed that this building be fully air conditioned. We are trying to have one unit because it is my view, Mr. Chairman—and this you will have to take as just one view—it is my view that as these enrollments increase, we are going to have to have our school year divided in four parts.

Mr. DENTON. They say we made a bad mistake by air conditioning this Capitol because Congress would have been going home in June or July if the Capitol was not air conditioned. Maybe you will have a larger summer school after air conditioning the building.

UNUSED SUMMER SCHOOL CAPACITY

Mr. NABRIT. We can handle twice as many summer school students as we handle right now, but I do not believe we will ever double that until we have some units that are air conditioned.

Mr. DENTON. Go ahead.

Mr. NABRIT. I think we are going to need four periods that we use our schools in, in order to accommodate the increases in students coming in the next decade. Also, so that we may more efficiently use our plant.

Mr. DENTON. You mean you will have three terms instead of two semesters?

Mr. NABRIT. That is right. I think we will go into either trimesters or go into quarters or something that is equivalent. I just do not think we can leave the plant idle for 3 months.

So that we would like to begin preparations for a more efficient use of our plant. It is for this purpose that this classroom building is requested to be air conditioned.

WOMEN'S DORMITORY

Mr. DENTON. Let us go to the next one. The next part of the request is \$2,470,000 for another women's dormitory. What dormitory facilities do you have for women now?

Mr. NABRIT. We have dormitory facilities for 653 women students now.

Mr. DENTON. How many buildings does that comprise?

Mr. NABRIT. That is in five buildings, but we have learned something since those were built. We are proposing in the next 3 buildings that we build for women to house 700 women in less space than we are now housing this 653 women.

Mr. DENTON. How many women will this dormitory house?

Mr. NABRIT. This one will house 300. We have a space for three dormitories as a unit. In this space we propose to house 700 women. We are asking now for the money for the first unit on that spot.

Mr. DENTON. Where do the women stay that do not stay in dormitories? Do they stay in town?

Mr. NABRIT. We have a rule that all the undergraduate women who enter Howard must live in dormitories.

Mr. DENTON. Do you not have more than 600 women?

Mr. NABRIT. All we can do now is try to house our freshmen women. This year we had to turn down 200 women students in the freshman class because we had no room for them. Really, what we do is keep them as freshmen and then in their sophomore year they have to find somewhere else to live—certainly by the time they are juniors. The same situation also pertains in all the professional schools. We do not have housing facilities for them.

Mr. DENTON. They live in town?

Mr. NABRIT. That is right.

Mr. DENTON. I guess that is why you need this additional facility; is that right?

Mr. NABRIT. We need this facility because it is almost imperative that we take the women students who come from out of town as freshmen in our colleges. It is just almost imperative that we furnish them housing on the campus.

Mr. DENTON. As I get it, you have facilities now for 600 women; is that right?

Mr. NABRIT. 653.

Mr. DENTON. This dormitory will give you facilities for a total of 900 women?

Mr. NABRIT. That is right. This building program planned for calls for 1,353 women.

Mr. DENTON. That will take two more dormitories?

Mr. NABRIT. That is right. That is what I am saying. That is the number we are now working on.

DESCRIPTION

Mr. DENTON. Describe this building and tell us where it is going to be located.

Mr. NABRIT. This building is directly across from the present Freedmen's Hospital. It is in that block where those houses are. It goes right up to the back of the water company, and it is to the south of the present women's quadrangle, those five buildings, then College Street, then this area where this building is going. In other words, it is on Fourth Street opposite Freedmen's Hospital and south of the present women's quarters.

Mr. DENTON. Are the plans and specifications prepared?

Mr. NABRIT. Yes, sir. They are in the same position as those for the classroom building. They will be ready so that bids can be let and construction started as soon as and if we get the money.

Mr. DENTON. Can you describe the building to us?

Mr. NABRIT. Yes, sir. This building is intended to accommodate 300 students. In line with my statement about this core of buildings for our summer quarters, we are asking that it be air conditioned. It will be the first and only dormitory that we have that is air conditioned. We hope that the next men's dormitory erected will be air conditioned. The building will be a simple rectangular building, six stories high approximately.

Mr. DENTON. With elevators?

Mr. NABRIT. Yes, it has elevators. A lot of dormitories now have elevators. It will contain about 89,000 gross square feet. It is estimated that it will require about 2 years to build, equip, and be ready for occupancy. This building will have its back facing College Street and it will have an entrance from the inner side of the block. We are going to add two other buildings around it and then we will have a center court. So that the first building will go up with just the entrance from the center of the block.

WAREHOUSE SERVICE BUILDING

Mr. DENTON. The last item is \$550,000 for a warehouse service building. This is for the purchase and renovation of an existing structure; is that right?

Mr. NABRIT. Yes, sir.

Mr. DENTON. How firm is the cost estimate?

Mr. NABRIT. We have the option to buy that at \$400,000. We are now occupying it with the hope that we can buy it. It will save approximately \$276,000 from the original estimated cost of a new warehouse building. If we can get the support of the committee for this item, we can not only buy it but we can renovate it, equip it, and have a building adequate for our purposes that we could not build for less than \$300,000 more.

Mr. DENTON. This amount includes equipment for the building?

Mr. NABRIT. Yes, sir.

Mr. DENTON. How old a structure is it?

Mr. NABRIT. I think it was built in 1941.

Mr. DENTON. Where is it located?

Mr. NABRIT. The best way to tell you is this: Do you remember where the dental school is as you come up Georgia Avenue and you turn into where Howard is?

Mr. DENTON. I know about where it is.

Mr. NABRIT. If you come in W Street, there is a dental school and medical school on the street together. This annex is on——

Mr. DENTON. Down toward the ball park?

Mr. NABRIT. Yes, right in the corner between the dental school and this annex we have been talking about. It is right on the campus.

Mr. DENTON. Mr. Marshall?

Mr. MARSHALL. You mentioned this warehouse that you were thinking about purchasing for which you have a budget item. Outside of that, is there any money requested in the 1963 budget for the acquisition of land?

Mr. NABRIT. No, sir.

STAFFING HOWARD UNIVERSITY

Mr. MARSHALL. In the justification you sent up you list in 1962, 1,272 permanent positions. How many of those are filled?

Mr. KELLY. Do you want a current figure or the anticipated figure on June 30?

Mr. MARSHALL. I would like the last figure you have of the number of them that are filled.

Mr. NABRIT. I would think, as near as I can say, currently to this moment, about 55 would not be filled for various reasons. Some of them we are now in process of filling because we have been looking all the first semester, trying to get them.

Mr. KELLY. I have a figure which exceeds the number of permanent positions because included in the Howard staff is a very significant number of part-time personnel. But it was estimated for 1962 the average employment for the year would be 1,518. The actual number on the rolls on December 31 was 1,567. The number on the rolls on any one day when you have this large a number of part-time personnel can be misleading in terms of the permanent staff.

Mr. NABRIT. This is what I was saying. I would think we now have about 55 because we are filling some for the second semester, and in that process, that is as near as I could get to it. We have more people on our staff than this list.

Mr. MARSHALL. I was interested in the permanent positions. I realize you are speaking from memory about that number of 55. If it should be wrong, please correct it.

INSTRUCTION AND DEPARTMENTAL RESEARCH STAFF

On page 135 of the justifications, in your resident instruction and departmental research category you had 806 permanent positions. Of those 806 positions, how many are now filled?

Mr. NABRIT. I think on that I would have to ask, Mr. Chairman, that we be permitted to supply it because I do not think I could give you a firm figure on it.

Mr. MARSHALL. If my understanding is correct, these positions are your instructors, largely. Do you have many in that group who are not instructors?

Mr. NABRIT. In that research project everybody is an instructor except for the directors of these projects. So that I would say the bulk of them are instructors and maybe a few are assistant professors.

Mr. MARSHALL. Will you supply that for the record, please.

Mr. NABRIT. Excuse me, sir. Are you talking about research or are you talking about—

Mr. MARSHALL. On page 135, I was speaking of the permanent positions that are listed as 806.

Mr. NABRIT. That is right. In that category, then, you have all ranks of teachers, not just instructors. We have professors, associate professors, assistant professors, and instructors.

Mr. MARSHALL. Do you have anybody in this group who are part-time people divided between instructional and research work?

Mr. NABRIT. Not in that number. We do have some people in here who are permanent, but they are not full-time people. They are permanent members of our staff.

Mr. MARSHALL. You list those in your 806 as filling permanent positions, do you? That is the way you list those?

Mr. NABRIT. That is right. You have under that 85. That is all of the other part-time positions put together to make a full-time position. That gives the 85. Then you come up with a total of—

Mr. MARSHALL. I would like for you to furnish for the record the number of those 806 positions that are filled, your latest available figure.

Mr. NABRIT. Fine. In other words, you want to know how many of those are vacant?

Mr. MARSHALL. That is right.

(The information follows:)

The activity for resident instruction and departmental research makes provision for 551 teaching positions in the 1962 budget estimate, and 255 positions for supporting personnel such as laboratory assistants, technicians, clerks, stenographers, etc., or a total of 806 positions. Of the 551 teaching positions, 53 are presently unfilled.

Many of these unfilled teaching positions will be filled during the spring semester of this school year with new teachers, or by temporary or part-time personnel.

Mr. DENTON. Thank you very much, Doctor. Is there anything more you want to say?

Mr. NABRIT. No, Mr. Chairman, but I want to say again it is important to us, I think, to say that we do appreciate this opportunity to get at the quality of our work, and we think that in doing that, we will justify what the Government is doing.

Mr. MARSHALL. I should like to compliment Mr. Nabrit for the work he has done for Howard University.

Mr. DENTON. Let me join in with Mr. Marshall in that word of congratulation.

If there is nothing further, thank you very much.

WEDNESDAY, FEBRUARY 28, 1962.

OFFICE OF THE SECRETARY

WITNESSES

RUFUS E. MILES, JR., ADMINISTRATIVE ASSISTANT SECRETARY
 DONALD P. KENT, SPECIAL ASSISTANT TO THE SECRETARY FOR
 AGING
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	2,081	2,305	2,762
Positions other than permanent.....	24	24	33
Other personnel compensation.....	65	37	45
Total personnel compensation.....	2,170	2,365	2,840
12 Personnel benefits.....	148	164	198
21 Travel and transportation of persons.....	26	60	95
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	40	44	74
24 Printing and reproduction.....	47	82	101
25 Other services.....	41	45	49
26 Supplies and materials.....	39	34	44
31 Equipment.....	20	43	68
Total obligations.....	2,532	2,837	3,470

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	288	327	382
Full-time equivalent of other positions.....	4	4	5
Average number of all employees.....	270	299	353
Number of employees at end of year.....	272	312	367
Average GS grade.....	8.4	8.5	8.8
Average GS salary.....	\$7,715	\$7,642	\$7,806

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Executive direction and program coordination.....	860	1,114	1,456
2. Office of public information.....	146	152	188
3. Administrative and financial management.....	1,525	1,571	1,826
Total program costs—obligations.....	2,532	2,837	3,470
Financing:			
Comparative transfer from other accounts.....		—27	
Advances and reimbursements from non-Federal sources (annual appropriation acts): Federal old-age and sur- vivors insurance trust fund.....	—326	—352	—412
Unobligated balances lapsing.....	3	69	
New obligational authority (appropriation).....	2,209	2,527	3,058

Mr. FOGARTY. The committee will come to order.

We have before us this morning the request for "Salaries and expenses of the Office of the Secretary."

Mr. MILES, this is your first appearance this year?

Mr. MILES. Yes, sir.

Mr. FOGARTY. Go ahead.

GENERAL STATEMENT

Mr. MILES. Would you like to have me read the summary?

Mr. FOGARTY. Yes. We will put the longer one in the record at this point.

(The statement follows:)

SALARIES AND EXPENSES, OFFICE OF THE SECRETARY

Mr. Chairman and members of the committee, as you gentlemen know from your long experience with the programs of this Department, we are confronted each year with more programs and many more problems than in the preceding year. This process has outpaced the Department's ability to cope with the problems with adequate skill and competence. If it were not for this fact, we would much prefer to come to you without any request for a budget increase for 1963. If we did so, however, we would shirk our responsibilities.

In order to perform the responsibilities of the Secretary and the Secretary's Office as effectively and efficiently as you and the public have a right to expect, we believe that a substantial strengthening of the Office of the Secretary is needed. Our budget request calls for 49 new positions and an increase of \$582,000 over planned obligations in 1962 and an increase of \$513,000 over the appropriation for 1962. We have classified the increases under three headings. Identified deficiencies, 24 positions (\$252,808); coordination of grants operations, 5 positions (\$49,654); special studies of program operations, 20 positions (\$194,867), and mandatory items amounting to \$84,671.

IDENTIFIED DEFICIENCIES

These are positions which are needed simply to do an adequate job of carrying out our current functions. The positions are in several parts of the Office of the Secretary and are listed below.

	Professional	Stenographic and clerical
1. Office of the Secretary and Under Secretary.....	1	1
2. International activities.....	1	1
3. Office of Assistant Secretary (for Legislation).....	1	1
4. Special staff on aging.....	2	1
5. Office of Public Information.....	2	1
6. Administrative and Financial Management.....	6	6
Total.....	13	11

Office of Secretary and Under Secretary (two positions)

An administrative assistant is requested for the assistant to the Secretary. There has been a great increase in important mail, telephone calls, and personal calls to the Office of the Secretary with a corresponding increase in requests for material and help of all kinds. Many of these requests cut across operating agency lines and the assistant to the Secretary needs an assistant to work with the agencies in gathering together the required data.

The stenographic position is for the Special Assistant to the Secretary for Health and Medical Affairs to relieve the secretarial workload caused by the increasing activities in health-related programs.

International activities (two positions)

International programs in health, education, and social development have become increasingly important as elements of our foreign relations and foreign policy. Last year, for example, this Department prepared 500 position papers for use by the State Department and for use by U.S. delegations to international conferences and meetings. Since the activities of the Department in this field continue to increase greatly in scope, importance, and complexity, an additional assistant to the Assistant Secretary (with stenographic assistance) is needed.

Legislative activities (two positions)

The rapidly expanding legislative program of the Department has created a workload that has engulfed the present staff requiring long hours of overtime. In calendar year 1961, the Department was asked to report on 895 bills. An assistant with a secretary is required to help in the review of proposed legislation.

Special staff on aging (three positions)

We are strengthening the program for the aging in a variety of ways. Functions have been realigned to give new emphasis to research, training, and help to communities which have received little attention in the past. As you know, since last year's hearing we have appointed a professionally trained gerontologist, Dr. Donald Kent, as special assistant to the Secretary for aging, and director of the special staff on aging. A panel of expert consultants has been appointed to advise the Secretary on the best methods of reaching our goals. The staff available to push ahead with this program in the Office of the Secretary has more than doubled in the past year. The 1963 estimate provides for two more professional positions and a secretary to help carry through projects and activities developed in 1962 and will strengthen research and training, and State and community organizations.

The regional representatives on aging should be placed under the direction of the special staff on aging and the entire staff, headquarters and field, should, in our judgment, be shown as a separate activity in the Office of the Secretary budget. In the budget submitted by the President, the regional representatives are included in the estimate for the Office of Field Administration. Since the President's budget was submitted, the Director of the Bureau of the Budget has authorized us to recommend to this committee that a transfer of \$158,000, the amount included in that budget for the nine regional representatives and eight secretaries, be made to the appropriation for the Office of the Secretary and that the special staff on aging be treated hereafter as a separate activity in the Office of the Secretary.

Office of Public Information (3 positions)

Two professional positions and a secretary are requested to supply the staff necessary for more adequate technical review and coordination of the operating agency information services. This staff will work with the information staffs of the operating agencies on a day-to-day basis and assist them in planning their continuing and special public information programs. Both the growth in the number of different programs and the great degree of public interest have caused the burden on the Office of Public Information to become particularly acute.

Administrative and Financial Management (12 positions)

The demands upon our Budget Division, our Division of Personnel Management, and our Division of General Services continue to mount with the growth of the Department. One junior professional and two clerical positions are needed in the budget office to keep up with the workload of statistical and financial tabulations and reporting. One position is needed in the personnel office to strengthen our evaluation of personnel operations in the field in response to repeated admonitions from the Civil Service Commission. Six positions are needed for the Department's central library to aid in eliminating the growing backlog of unclassified and uncataloged publications and to improve generally the clearly inadequate service to the operating agencies. The two remaining positions requested are to provide a construction specialist and a secretary to develop procedures, review construction proposals and coordinate the Department's expanding activities in this field.

COORDINATION OF GRANT OPERATIONS

Nearly 90 percent of the total funds of the Department are paid out in the form of grants to States, localities, institutions, and individuals. Almost every year additional grant programs are added to the Department. These programs have grown rapidly and without any adequate review in the Office of the Secretary to see that these programs are well coordinated. We have fellowship grants, for example, in several agencies of the Department, but we have no one to see that the stipend policies are kept in balance. It is obviously not wise to have each agency of the Department making independent judgments on stipend policies with little or no recognition of the problems of other parts of the Department or of the Government as a whole.

Other policy issues require such coordination. A well-informed person, specializing in the field of training grants, whose business it is to work closely with the operating agencies and see that the training grant programs are kept in balance is clearly needed.

The same is true in the area of State grants and also in the area of research grants. A specialist is needed in each of these areas who undertakes to coordinate the grant programs throughout the Department. We have a great many grant formulas, some of which are extraordinarily complex—unnecessarily so, we believe. It will be conducive to improved Federal-State relations to simplify formulas wherever possible and make them as consistent as circumstances permit.

Two secretarial positions are needed for these three coordinators, for a total of five positions.

SPECIAL STUDIES OF PROGRAM OPERATIONS

The Office of the Secretary is prevented by limitation in staff from carrying out intensive studies of its programs. Such intensive studies are clearly needed. It is our considered judgment, for example, that the review of basic welfare policies which we have recently been undertaking should have taken place a good deal earlier than a quarter of a century after passage of the Social Security Act. The staff of the Office of the Secretary has been so thin in relation to the magnitude of responsibilities that it is no wonder that such a review did not take place sooner. It is for just such a purpose that we believe the Office of the Secretary needs to be more adequately staffed in 1963 and subsequent years. The staff we are requesting for this purpose is as follows:

	Professional	Stenographic and clerical
Program Analysis Office.....	5	3
Division of Budget.....	5	3
Office of Management Policy.....	3	1
Total.....	13	7

The Department's programs should be continuously reviewed and evaluated to keep abreast of changing conditions and to have them redirected in terms of emerging problems or to be discontinued when they have achieved the objectives for which they were established. Only in this way can direction and guidance be given to the operating agencies as to the proper emphasis to be given to such far-reaching and complex problems as the reduction of dependency, aid to the aged, or the juvenile delinquency programs.

This staff will undertake intensive studies designed to provide information on a long-range basis relative to the best means to reach the goals of the programs with the least cost. This will not only involve studies of program content, organization problems, and manpower utilization and cost, but the effect of social changes, research results, industrial productivity, and educational patterns on the Department's programs.

We should, for example take leadership within the Department in studying very carefully the impact of the accelerating trend toward automation on our various programs. This trend will generate a need to review and modify programs in vocational education, in vocational rehabilitation, and in the welfare field. There is the prospect of increasing displacement of manpower in the repetitive low-skilled jobs, creating unemployment and retraining problems of substantial magnitude. We must work closely with the Department of Labor in seeing that these problems are not only recognized but that suitable adaptations of our

programs are made to cope with them. We cannot hold back this trend, but if we are foresighted we can help make automation more of a boon than a liability.

Within our Department we should examine the processes of administration as well as the basic purposes to be achieved by them in order to see that we are getting a full dollar's worth of value for each dollar expended. As a result of a Department-wide study of payrolling, the recommendations of which we are now beginning to put into effect, it has been determined that at least \$300,000 per year could be saved by centralized payrolling, using modern electronic equipment. This general type of study needs to be carried on in respect to other business-type operations of the Department, but we are without adequate staff to perform the needed studies. We borrowed from the Budget Bureau the project director and much of the staff from the operating agencies of the Department to do the payroll study and were very fortunate that the Budget Bureau could loan us such a man. While we intend to continue to make use of the team approach, using staff from the operating agencies in a cooperative study wherever it is appropriate to do so, we should be in a position to provide the competent staff leadership for such studies from the Office of the Secretary rather than being dependent on the fortuitous circumstances of being able to borrow appropriate project leaders from other departments or agencies.

While the studies will be carried out by the offices of Program Analysis, Budget, and Management Policy within the areas of their own competency, whenever a problem cuts across the board it will be attacked with a team effort.

Dr. Kent, Mr. Kelly, and I will be glad to answer any questions you may have.

INCREASES REQUESTED FOR 1963

Mr. MILES. Mr. Chairman, as you gentlemen know from your long experience with the programs of this Department, we are confronted each year with more programs and many more problems than in the preceding year. This process has outpaced the Department's ability to cope with the problems with adequate skill and competence. If it were not for this fact, we would much prefer to come to you without any request for a budget increase for 1963. If we did so, however, we would shirk our responsibilities.

In order to perform the responsibilities of the Secretary and the Secretary's office as effectively and efficiently as you and the public have a right to expect, we believe that a substantial strengthening of the Office of the Secretary is needed. Our budget request calls for 49 new positions and an increase of \$582,000 over planned obligations in 1962 and an increase of \$513,000 over the appropriation for 1962. We have classified the increases under three headings: Identified deficiencies, 24 positions; coordination of grant operations, 5 positions; and special studies of program operations, 20 positions.

The 24 positions are needed simply to do an adequate job of carrying out our current functions. These positions are in the several parts of the Office of the Secretary and are needed to strengthen the Secretary's Office, and the international, legislative, aging, public information, and administrative functions.

COORDINATION OF GRANT OPERATIONS

Nearly 90 percent of the total funds of the Department are paid out in the form of grants to States, localities, institutions, and individuals. Almost every year additional grant programs are added to the Department. These programs have grown rapidly and without any adequate review in the Office of the Secretary to see that these programs are well coordinated. Three coordinators are needed in the area of State grants, training grants, and research grants.

SPECIAL STUDIES OF PROGRAM OPERATIONS

The office of the Secretary is prevented by limitation in staff from carrying out intensive studies of its programs. The Department's programs should be continuously reviewed and evaluated to keep abreast of changing conditions and to have them redirected in terms of emerging problems. One of the most important and far-reaching evaluations which needs to be made is the impact of the rapidly developing trend toward automation on the various parts of our society and the adaptations that may be needed in our education, vocational rehabilitation and welfare programs. The studies will be carried out by the Office of Program Analysis, the Budget Office, and the Office of Management Policy, and whenever a problem cuts across the board it will be attacked with a team effort.

Dr. Kent, Mr. Kelly, and I will be pleased to answer any questions you may have.

Mr. FOGARTY. Thank you, Mr. Miles.

BUDGET SUMMARY

Including advances and comparative transfers, there is \$2,957,000 available for 1962 and the request for 1963 is \$3,470,000, an increase of \$513,000 and 41 positions.

Mr. MILES. That is right.

1962 RESERVE

Mr. FOGARTY. I see that there is a reserve of \$69,000 and eight positions for 1962.

Mr. MILES. Yes.

Mr. FOGARTY. Last year the Secretary indicated his belief that he could save money by having more staff to help him review the Department's programs and operations. So would you say that this reserve of \$69,000 and eight positions is costing us money?

He asked for transfer authority and he didn't get it. He also is cutting down eight positions and \$69,000 of what he did get from Congress.

Mr. MILES. I understand, Mr. Chairman, that in previous hearings, including the hearing with the Secretary you went over in some detail the matter of the manner in which the Secretary applied an across-the-board reduction.

Mr. FOGARTY. I found fault with it, when he was here and I have been finding fault almost every day since. I think Mr. Kelly will be glad when we finish these hearings so he will not have to listen to that word "reserve" any more.

Mr. MILES. I do not think that there is anything I can contribute or add to the previous discussions of this matter.

Mr. FOGARTY. Is what I said not logical? I thought the Secretary was pretty convincing last year, saying if he was given more staff he was sure that he could save money.

Now he cuts back eight positions and \$69,000. That does not make sense to me at all.

Mr. MILES. Whether any funds would be saved or not, I can testify from direct experience that we are very tight and feeling very pinched.

Mr. FOGARTY. Do you not think, if you had those eight positions, that you might have saved some money in the long run? That this reserve is going to cost money?

Mr. MILES. It is possible, but it is a little difficult to give any assurance.

Mr. FOGARTY. If I was in your position, I think I could give a pretty definite answer.

Mr. KELLY. I think there is no question, Mr. Chairman, that these positions, if they had been available to us, could have been quite effectively used. On the other hand, I think that it would have been impossible to make the kind of reductions that had to be imposed without sharing in this reduction in the Secretary's Office.

Mr. FOGARTY. That does not make sense to me, as you know.

I cannot for the life of me see any reason in making cuts that are going to cost more money in the long run. I think we will find that these reserves are going to cost several times the amount that was put in reserve for 1962. I think the hearings have already developed that.

I am not finding fault with you people. I understand this decision was made higher up and that you people had to go along with it. This does not make sense to me. I think if we can spend a few dollars more and save money in the long run, we ought to do it, regardless of whether the budget is going to be balanced or not. I think sometimes by spending more money we can save money or even make money for the Government. I think that has been especially true in the Office of Vocational Rehabilitation.

Mr. MILES. Very much so.

Mr. FOGARTY. I think we can justify the same thing in Education and the Institutes of Health. If we had a little more money available, it would save the people and the Government money in the long run. Do you agree with that general philosophy?

Mr. MILES. Certainly this is true in certain instances. It is much easier to demonstrate in the case of vocational rehabilitation.

Mr. FOGARTY. They received a cut, too. I just did not see any sense in cutting back a program like vocational rehabilitation. It brings back into the Federal Treasury \$10 for every dollar we spend.

SUMMARY OF INCREASE FOR 1963

This is another appropriation item where you are asking for additional positions for 1963 in the very same areas that you are cutting back in 1962?

Mr. MILES. Yes, sir.

Mr. FOGARTY. We will put pages 5 through 9 of the justifications in the record.

(The pages follow:)

SALARIES AND EXPENSES, OFFICE OF THE SECRETARY

Summary of changes

1962 enacted appropriation (including \$352,000 OASI transfer)-----	\$2, 870, 000	
Civil Defense operating budget-----	51, 000	
Comparative transfer from "Water supply and water pollution control, Public Health Service"-----	27, 000	
Administrative reserve-----	-69, 000	
Total estimated obligations 1962-----	2, 888, 000	
1963 estimated obligations (including \$412,000 OASI transfer)-----	3, 470, 000	
Total change-----	+582, 000	
Increases:		
(a) Mandatory items:		
1. Annualization of 41 new positions in 1962: 24 authorized for 75 percent of year and 17 for approximately 55 percent of year.		
Personnel compensation-----	\$94, 082	
Other related costs-----	7, 139	
		101, 221
(b) Program items:		
1. To strengthen the Office of the Secretary and Under Secretary:		
Personnel compensation (2 positions)-----	\$8, 938	
Temporary stenographic assistance-----	3, 300	
Additional overtime-----	8, 000	
Increased travel for existing staff-----	500	
Lapse adjustment for civil defense activity to place 1 secretarial position authorized for half year in 1962 on full-year basis in 1963-----	2, 000	
Other costs related to new positions-----	2, 770	
		25, 508
2. To expand international functions:		
Personnel compensation (2 positions)-----	15, 569	
Reclassifications-----	2, 151	
Other related costs (including \$5,000 for travel)-----	14, 753	
		32, 473
3. To strengthen legislative and program planning:		
Personnel compensation for legislative activities (2 positions)-----	13, 080	
Reclassifications—Program analysis-----	2, 791	
Other related costs-----	5, 170	
		21, 041
4. To strengthen the special staff on aging:		
Personnel compensation (3 positions)-----	16, 777	
Additional meeting day for panel of expert consultants (fees \$1,500; travel \$3,000)-----	4, 500	
Other related costs-----	2, 450	
		23, 727
5. Special studies for review and analysis of the Departments' programs:		
Program Analysis Office:		
Personnel compensation (8 positions)-----	54, 774	
Consultant services-----	5, 000	
Other related costs (including \$10,000 for travel and \$5,000 for printing)-----	24, 760	
Total-----	84, 534	

Summary of changes—Continued

Increases—Continued

(b) Program items—Continued

(5) Special studies, etc.—Continued

Office of Financial Management:

Personnel compensation (8 positions)-----	\$54,488
Other related costs (including \$3,000 for travel)-----	14,250

Total-----	68,738
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Office of Management Policy:

Personnel compensation (4 positions)-----	29,790
Other related costs (including \$4,700 for travel)-----	11,805

Total-----	41,595
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\$194,867

6. To provide for coordination of grant activities:

Personnel compensation (5 positions)---	38,984
Other related costs-----	10,670

49,654

7. To provide for a more effective public information program:

Personnel compensation (3 positions)---	24,148
Other related costs-----	7,752

31,900

8. To strengthen administrative and financial management:

Personnel compensation (12 positions: 3 budget; 1 personnel management; 8 general services)-----	54,288
Other costs related to 12 new positions-----	12,465
Reclassifications and other change of grade structure-----	6,296
Telephone costs, health room services, and miscellaneous costs related to 49 new positions in all activities-----	6,110
Replacement of accounting office book-keeping machine which constantly requires repairs (net cost after trade-in)-----	2,500
Replacement of wornout equipment in library-----	2,500
Library books-----	3,000
Periodical subscriptions-----	6,000

93,159

9. Rental of office space in Washington, D.C., for new staff requested in this estimate. Provision is made for space for 75 percent of year-----

25,000

Subtotal, program increases-----	497,329
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598,550

Gross increases-----	598,550
Decreases: A. Nonrecurring equipment and security clearances related to new staff in 1962-----	16,550

Total change requested-----	582,000
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582,000

EXPLANATION OF CHANGES

Office of Secretary and Under Secretary.—\$25,508 is requested to provide an administrative assistant, GS-11 for the assistant to the Secretary to work on special projects of an across-the-board nature. The request will also add one secretary to the staff of the special assistant to the Secretary for Health and Medical Affairs to relieve the stenographic workload caused by the increasing activities in the health-related programs. Funds (\$3,300) are included for three temporary stenographic positions needed during the summer months when so many of the regular staff are on vacation. New activities have also required a great deal of overtime for which the clerical staff is compensated. Our present funds for this purpose are inadequate and \$8,000 additional is needed.

International function (Office of Assistant Secretary).—The request of \$32,473 will allow two positions, an assistant to the Assistant Secretary, GS-15, and a secretary, as well as reclassification of four positions. International programs in health, education, and social development have become increasingly important to the economic stability and maintenance of peace in the world. Consequently, the activities of the Department in the field continue to increase greatly in scope, importance, and complexity.

Legislative and program planning (Office of Assistant Secretary, Legislation).—The estimate of \$21,041 will provide a special assistant to the Assistant Secretary, GS-14 and a secretary to assist in the development and reviews of the Department's rapidly expanding legislative program. Funds are also included for the reclassification of three positions in the program analysis activity.

Special staff on aging.—The estimate of \$23,727 for 1963 will add two specialists on aging, GS-12, and a secretary. These positions are needed to help carry through projects and activities developed in 1962 and will strengthen research and training and State and community organization. The request also provides for three meeting days in 1963 for the panel of expert consultants to the Secretary, one more than authorized in 1962.

Special studies.—The \$194,867 requested for this purpose provides 20 positions: Program analysis—5 professional (2 GS-15 and 3 GS-14) and 3 secretaries; Budget Office—5 professional (2 GS-15 and 3 GS-14) and 3 secretaries; and Office of Management Policy—3 professional (1 GS-15 and 2 GS-14) and 1 secretary.

Tremendous changes have and are taking place in this Department's programs and the need for these programs and reviews should be undertaken to assure that they are meeting the needs of the population. The greatest single weakness of this office is the inability through lack of staff to carry out intensive studies of the programs in depth. In order that the Secretary can perform this function which will be designed to have a long-range effect on the legislative program, the operating budgets and the effectiveness with which the job is carried out, this budget request is needed to conduct studies of program content, organization problems and manpower and utilization costs.

Coordination of grant activities.—\$49,654 is requested for five positions, three professional, GS-15 and two secretarial. There is a need for coordination of (1) grants-in-aid (2) research grants, and (3) training grants. Many of these grants (which make up approximately 90 percent of the Department's funds) in the several operating agencies are interrelated. The Secretary must have advice on a current basis on where to place or change emphasis when allocating these funds.

Office of Public Information.—The \$31,900 estimate for public information activities will provide two professional positions, GS-15 and a secretary in 1963. These positions would supply the staff time necessary for more adequate coordination of operating agency information services. There is now a most serious deficiency in this regard. They would also assist the operating agencies in planning their continuing and special public information programs.

Administrative and financial management.—The \$93,159 requested includes funds for new staff for three offices.

The Budget Division of the Office of Financial Management (three positions requested) has need for a budget analyst GS-9 who can devote full-time to preparation of tabular and statistical material which is departmentwide in scope. In addition, the load on the secretaries has increased tremendously as the activities of the Department are expanded. Two more secretaries are needed. One for the Director of the Division of Budget who does not have a secretary and one additional secretary for the analysts. There are now only two secretaries available to the entire Division.

The Division of Personnel Management (one position, GS-12 requested) has received repeated admonitions from the Civil Service Commission for its inadequate evaluation of operating agency programs as a basis for their improvement. An evaluation and appraisal specialist is required to give attention to this area.

Eight positions are requested for the Division of General Services: a construction specialist, GS-14; and a secretary in the Property Management Branch to develop and coordinate Department activities in this field. Six positions are requested for the central library, three librarians and three clerk-typists, to provide limited service in the new FOB No. 6 for Office of Education staff; to aid in eliminating the growing backlog in classifying and cataloging publications and to generally improve service to the operating agencies which is now clearly inadequate.

An increase of \$9,000 is requested for books and periodicals for the library. Due to price increases and expanding programs the library has not been able to obtain all of the books and periodicals needed to service the needs of the operating agencies.

Mr. FOGARTY. These give an explanation of the items of increase you are requesting. Is there anything that you would like to add to what is in the justifications for these increases?

Mr. MILES. No, I have nothing else.

SPECIAL STAFF ON AGING

Mr. FOGARTY. The increase for the special staff on aging is \$23,727. What is that to be used for?

Mr. MILES. I wonder if I might ask Dr. Kent to answer that?

Dr. KENT. Mr. Chairman, this is to be used for three positions; two professional and two clerical, expanding the staff.

BACKGROUND OF SPECIAL ASSISTANT FOR AGING

Mr. FOGARTY. Doctor, this is your first time before the committee. Will you give us, for the benefit of the record, how long you have been on this job and some of your background?

This is usual.

Dr. KENT. Very glad to, Mr. Chairman.

My name is Donald Kent. I assumed the position of director of the special staff on aging and post of special assistant to the Secretary of the Department of Health and Welfare on September 1, 1961.

My background is this. Prior to coming to Washington, I headed a research institute in gerontology at the University of Connecticut.

I also served as head of an operating agency in the State of Connecticut, the Commission on Services for Elderly Persons.

My training has been in the field of sociology, in which I hold a doctorate from the University of Pennsylvania. My studies include special work in gerontology.

INCREASE REQUESTED FOR 1963

Mr. FOGARTY. Now tell us what the increase of \$23,727 is for.

Dr. KENT. Yes; this would include two specialists in aging, one which I would use in the area of research and training and the second in the area of field operations. As I see it, one of the very basic and critical needs today is to expand the number of trained personnel in this area. Today only one or two universities are offering graduate work at the professional level in training gerontologists.

We tried to recruit people and found how difficult it was.

We have evidence of this from the fact that every week letters come to us requesting names of persons adequately trained for positions in this area. We have difficulty suggesting names. We would like to have an extra person to work in this area of research and training in hopes of stimulating the program.

The second professional person would be used in the area of field operations. When I took over the special staff on aging, I felt it was necessary to reorganize it and I did in terms of three headings. We have one section working on research and training, another working in field operations. This unit has the responsibility of working with States, communities and voluntary associations, developing programs for the aged.

The third is the public information area, disseminating information not only to the professional but also to the senior citizens. This second person would be used in the area of field operations, working with States and communities.

The third is a clerical one to service these two professionals.

PROGRESS IN PROGRAM FOR AGING

Mr. FOGARTY. All right, Doctor. As you know, last year this committee and especially the chairman, was not satisfied with the action that had been taken up to that time. Mr. Quigley was then in charge of the program. I assume you have read the hearings of last year.

Do you think you have made any more progress than Mr. Quigley was able to make?

Dr. KENT. I think I have, Mr. Chairman. I feel, and I have some evidence from testimony I have received from people operating State agencies and voluntary associations that the special staff on aging has accomplished more in the past 6 months than any similar period in its history.

1962 SUPPLEMENTAL APPROPRIATION

Mr. FOGARTY. Well, that is a good statement. When the Secretary was here, I asked him some questions about what progress had been made in the last 6 months, and the record will show that not much progress had been made. In fact, I think that the day that I asked him the questions about aging was January 30, and it was only the day before, according to Mr. Cohen, that you put on your first professional person under the supplemental appropriation of last year.

Dr. KENT. That is correct, sir.

Mr. FOGARTY. All right. What have you done since the 29th of January?

Dr. KENT. May I review what we have accomplished?

Mr. FOGARTY. We thought this was a real important program last summer. When you asked for a supplemental appropriation we were led to believe it was necessary and needed. In fact, I thought more was needed.

Now tell us what you have done with these funds.

Dr. KENT. You will recall that I came to you shortly after arrival and indicated we did need more staff. Partly through your efforts,

we did obtain a supplement of \$145,000. Congress authorized this and it was signed on September 30 of last year.

However, we could not proceed immediately because of one thing. This was that there was some question as to how many positions this supplement actually authorized. You will recall that the Department requested a supplemental of \$226,000. This was cut by the Bureau of Budget to \$150,000, and then Congress cut it to \$145,000.

Now, the Budget Bureau said that since there was a one-third cut in the amount of money, this presupposed a one-third cut in positions. I had assumed we were going to get 18 positions, they presumed it would be 14.

Mr. FOGARTY. The Bureau of the Budget or the budget office?

Dr. KENT. No; this was the Bureau of the Budget. The budget office in the Department and the Secretary have supported us fully.

Congress decided to appropriate \$145,000. I assumed I could get 18 positions. We finally discovered we had 14 positions on November 2. We had not been idle. We drew job descriptions; we organized the staff. I decided how I would allocate positions. We proceeded to canvass the field.

Then we discovered this fact, Mr. Chairman, and that is if you want just warm bodies you can get them very quickly, but my point has been that we must professionalize the staff on aging. We need people who have experience and training. We have found that these are hard to come by and that our salary scale is frequently not one that attracts them. We also found that these people have commitments that make it difficult for them to come on a new job on short notice.

The result was that in January we hired the first two. One was a transfer. We have another specialist on aging under recruitment. We have a definite commitment from two trained gerontologists. Both of these professional people indicate they cannot come until the close of the semester.

At present, most of your gerontologists are in the universities and they just cannot pick up and come in the middle of a semester.

At present, on our supplemental, we have 14 positions, 7 professional and 7 clerical. The seven clerical were easy to fill and we filled five. We have not filled the other two because we will wait until we have the complement of professionals. In terms of professionals, we have filled four; for two more we have tentative acceptances and two that we are negotiating for, which includes one vacancy on the regular staff.

Mr. FOGARTY. You think you have done as well as you could but I think a better job could have been done. I think if I were in your position, when you came down here last summer, that I would have known that these jobs were hard to come by.

The descriptions would not have been difficult to set out because of your background, and when the money was made available by Congress, even though the bill was not signed until the latter part of September, it seems to me that I would have gone ahead and started to recruit people and I think we could have saved a couple of months' time. It looks to me like this is another example of the Bureau of the Budget messing up an important program.

Dr. KENT. Mr. Chairman, I am not trying to put complete onus upon the Bureau of the Budget. Let me indicate that we did try to

move precisely the way you suggested. I was in contact with a distinguished gerontologist to take over the field operations unit. The individual asked for a 3-week period to consider it and then finally rejected it.

I immediately offered it to another well-known gerontologist. He also asked for a period of a couple of weeks to think it over, again rejected it, this time on the grounds of salary.

The third time, a few weeks ago I thought I had one of the top people in the country committed to this and I got a call yesterday asking that he be removed from consideration.

This has been what we have had to contend with, but it does not mean that we have not tried. We have had these problems partly because we are going after such high-caliber people.

DEPARTMENT PROGRAM IN AGING

Mr. FOGARTY. There is a general impression around from the groups that I have talked to, and I have talked to a great number of them, that there is no real program in aging. Every group that I have talked to has been disappointed in the lack of action to initiate one.

Outside of holding more meetings, what specific action has been taken this year, what practical programs have been set up? Let us stick to specifics now. What specific action has been initiated, and what practical programs have been initiated?

TRAINING

Dr. KENT. Leave us take, first of all, the area of training, an area which we feel is very crucial. Immediately after my coming on, working with regional representatives, the special staff played a part in having a midwestern council of research set up. This is composed of 23 universities. These universities are currently developing training programs for the aged, offering courses and services to the community. This is a tangible result, in part, of the special staff on aging.

At the same time, we have been working with the Housing and Home Finance Agency. We recognize there is a great need for persons who are trained to manage these newly developed housing-for-elderly apartments. They have had great difficulty in getting trained people. Housing managers that were reared and trained to manage a typical low-rent housing project just do not have the kind of skills and knowledge necessary to make a success of one specifically designed for old people. To that end, we have set up a program.

Mr. FOGARTY. I do not think that is true in the city of Providence where we have a project built specifically for the aged.

Dr. KENT. I do not know how the project in the city of Providence is run. I do know that there is a need for training this kind of person. One of the things that the special staff has done has been to draw together a group of distinguished specialists in this field. We have developed a 2-year curriculum in housing. We have some assurance that this will probably be instituted in some of the universities this fall. At Purdue University, this would be a 2-year curriculum.

Mr. FOGARTY. What have you already started; what has been started since you took over?

Dr. KENT. Well, these are two. We have done the same thing in other sections of the country. We have also worked in terms of helping institutes of gerontology be established at the University of Kentucky and the University of North Dakota. We have worked with the department of education in terms of establishing a curriculum on aging that is going to be put into high schools in North Dakota. We have worked with the universities in the southern part of the country to develop the same things we have in the Midwest.

This is an example of some of the things we are doing here in this area.

MORALE OF STAFF

Mr. FOGARTY. You mentioned the special staff. How is the morale of the staff? I have had complaints that the morale was low. Do you have any real problems along this line?

Dr. KENT. This comes as a complete surprise to me that the morale of the special staff is low. Staff members are repeatedly telling me that they feel they are accomplishing more and are moving ahead, and that they have a director who knows where he wants to go. I am surprised to hear this; I will have to investigate myself to see if my view or yours is correct.

Mr. FOGARTY. All I have is three or four letters. They have written in, signed their names. That is the only indication I have.

Dr. KENT. They have not come to me at all with this.

REDUCTION IN STAFF

Mr. FOGARTY. There has been some concern expressed to me about the reduction of staff. I have had this complaint from many national organizations.

Dr. KENT. Let me say in regard to that, there was, of course, a major reduction in staff at the close of the White House Conference in which there were 33 positions that were dropped. In one of these positions they did have a full-time person working with the National Volunteer Association. This is one of the areas for which we hope to recruit persons.

I might say with regard to work with the national association there has been a direct contact by myself and other members of the staff. For example, we are in direct contact in terms of mail and materials with over 100 of these voluntary associations. We have given very direct help to the National Council on Aging. We are cooperating with them in their present conference, that is going to be held next week, in State planning. We are cosponsoring many other conferences. I have a long list of associations with which we have worked.

Mr. FOGARTY. But you do not have a man working directly with the national organizations?

Dr. KENT. We do not have a man full-time on that. But we have given aid directly.

Mr. FOGARTY. But this has not been satisfactory to the national organizations who have talked to me. They cannot see any reason why there has not been a man appointed to this position to work directly with the national organizations. And I agree with them.

Dr. KENT. I would like to have several men working with them, sir.

FEDERAL COUNCIL

Mr. FOGARTY. It seems to me you could get a person for that particular job. For years I have never agreed that the Federal Council was very effective.

The Federal Council was established, and to my knowledge it has never done anything of a constructive nature. Who are the members of that Federal Council now?

Dr. KENT. The members of the Federal Council now are the Secretary of the Department of Health, Education, and Welfare, as Chairman, the Secretary of Agriculture, Secretary of Commerce, Labor, Treasury, the Director of the Civil Service Commission, the Administrator of Housing and Home Finance Agency, and the head of the Veterans' Administration.

Mr. FOGARTY. When was the last time that they had a meeting?

Dr. KENT. The last time the Federal Council had a meeting was about 3 years ago. This was established by Presidential directive in 1955. At the time of their meeting what they did was set up an executive committee that is a working committee. I serve as chairman of this executive committee. We have a representative of each of those Cabinet people whom I have just named serving on this committee.

Mr. FOGARTY. What is the purpose of the Federal Council?

Dr. KENT. It has four functions. One is to exchange information within Government. Second, public information in terms of presenting to the public the total picture of what is happening with reference to aging, rather than just HEW, and so forth.

Third is to study these programs and see if there are gaps in them, and make recommendations.

The fourth is to report to the President, advising him in terms of what they should do.

Now, when I came on I was distressed by several things about the Federal Council.

Mr. FOGARTY. My thinking has not changed one bit about that since 1955.

Dr. KENT. May I recount some of the things that we have done?

Mr. FOGARTY. Sure.

Dr. KENT. Again, in all of this, I am not saying that I am satisfied, because I think no matter what we do the need is so great that there is need for more. But at the same time I think there have been steps that have been taken in the past 6 months.

One of the things is detail, I have detailed a full-time staff to the Council. We now have a person trying to prepare papers.

Mr. FOGARTY. What is the full-time staff?

Dr. KENT. Mr. Warren Roudebush serves as Executive Director, and his chief function is to prepare papers, together with a secretary.

Mr. FOGARTY. All right.

Dr. KENT. We are now holding regular meetings, they have averaged two a month since I have taken over. We have tried to implement these functions, exchange of information. But more important I think in terms of presenting information to the public, we have

a new report coming out describing the Government program in aging. This I feel is the best report on Government programs yet to come, a 75-page report indicating what the Government is doing and will indicate \$21 billion committed in this particular area.

Mr. FOGARTY. I have never been convinced that issuance of a report was a real matter of action.

Dr. KENT. This, sir, I would agree with, but this was not intended to be our matter of action, this was our report in terms of informing the public. The Federal Council also participated in the White House regional conferences in which President Kennedy asked Cabinet officers and other officials to explain what was being done.

In terms of trying to spot deficiencies, we had been meeting with the individual agencies trying to develop new programs, meeting with the Treasury Department to explore the possibility of the exclusion of capital gains tax in the sale of property for older people, working with them regarding the possibility of issuing a constant purchase power board.

REPORT OF RECENT ACCOMPLISHMENTS

Mr. FOGARTY. All right. You can supply for the record what you have actually accomplished.

Dr. KENT. Yes.

Mr. FOGARTY. What you actually have accomplished in the last 6 months.

(The report referred to follows:)

REPORT ON ASPECTS OF SPECIAL STAFF ON AGING ACTIVITIES DURING FISCAL YEAR 1962

STAFF OPERATIONS

One of the major responsibilities of the Special Staff on Aging is to serve as a coordinating agency for Federal programs in aging. During the past 6 months, the staff has carried on the projects listed below, in addition to its routine assignment of distributing materials to Federal agencies and exchanging information regarding Federal programs.

Working with HHFA in developing criteria for programs for older persons within federally constructed housing.

Sponsored joint meeting with HEW, Veterans' Administration, and hospitals with Dr. Lionel Cosin of Great Britain to discuss care for older patients.

Working with Peace Corps re use of older persons.

Cosponsored with Office of Education seven regional conferences on education for aging.

Served as coordinator of seminar on opportunities for senior citizens section of the President's White House regional conferences.

Cooperated with Civil Service Commission in developing programs for retired Federal personnel.

Cooperated with Office of Field Administration in presenting DHEW's programs on aging to regional office personnel.

Cooperated with OFA in developing programs on aging with executive officers and regional directors.

Instituted regular meetings of the Departmental Committee on Aging.

Prepared and issued in cooperation with constituent agencies a summary statement of DHEW's activities in aging.

Cooperated with personnel office in a preretirement program for HEW employees.

Cooperated with Graduate School of the Department of Agriculture in a training course in aging and the older worker for Federal personnel officers.

Cooperated with HHFA in developing special tabulations on housing.

Prepared and distributed special analyses of census data with implications for older citizens.

Worked with Census Bureau developing reports on older persons in the United States.

Developed a reference library. An indication of the need for this is that in one single month this unit handled 148 requests for information, and in addition had our publications sent to an additional 158 persons.

SPECIAL PROJECTS STIMULATED, CONDUCTED, OR MATERIALLY AIDED BY THE SPECIAL STAFF ON AGING: FISCAL YEAR 1962

Midwest Council for Social Research on Aging

A council composed of representatives of 23 universities in Department of Health, Education, and Welfare, region VI, to develop and conduct research and training in aging. Stimulated by the regional representative for aging and aided by the Special Staff on Aging.

White House Conference on Aging followup of professional training recommendations

Special Staff convened a group of 10 university educators for consultation on immediate steps. Special Staff on Aging has issued a list of universities having centralized institutes on coordinating agencies for advanced training and research in gerontology; is meeting with university staffs and groups to encourage further development of the above; and is collecting information looking toward development of position descriptions and career information recruitment material. Ongoing.

Professional training for managers of housing projects and administrators of homes for the aged

Special Staff project to develop curriculums for 2-year graduate level training of personnel for these and related positions. This project is currently active and planned for completion in fiscal year 1962. Working group includes university personnel, HHFA officials, representatives of housing and old-age home industry. Objective: To furnish curriculums that can be adopted by universities in the fall. Underway and well advanced.

White House regional conferences: Senior citizens

Special Staff organized plans for, and Department of Health, Education, and Welfare supplied much of personnel for 12, 1-day conferences on needs and programs for senior citizens. Completed.

Preretirement education

Special Staff assisted National Institute of Labor Education in developing a program and obtaining funds for introducing preretirement education into programs of universities having institutes of labor education. Underway and well advanced.

Stimulation of gerontological training in southern universities

Special Staff convening and providing consultation to representatives of 20 southern universities to foster training in gerontology. Underway: Early stages.

Fourth conference of State officials on aging

Special Staff organizing and conducting the fourth conference (1952, 1956, 1961, 1962) of representatives of State commissions and administrative agencies with Federal officials to promote planning, coordination, and program development and to facilitate exchange of experience among States. Planning almost completed.

Regional representative on aging training meetings

Two 3-day meetings, during fiscal year 1962, of regional representatives with officials of other Federal agencies, professional gerontologists, and central office staff for training in gerontology, gaining familiarity with Government programs, job definition, and idea and experience exchange. Ongoing.

Development of blueprint for action

Sifting, consolidation, and reorganization of WHCA recommendations by special staff aided by panel of outstanding gerontologists and lay persons. Objective: To produce a stimulating, manageable statement of objectives, recom-

mendations, suggested procedures, and responsibility assignments covering the entire field of aging. Early planning stage.

Public advisory committee

Appointment and meeting of an advisory committee of lay and professional people to the Secretary for guidance in development of programs for older people. Underway and well advanced.

Manual on library services in aging

Collection, organization, and presentation of programs and experiences of libraries in developing special services and facilities (bookmobile, discussion groups, lectures, special reading lists, and collections) for older people. Early planning stage.

Inventory of and reporting system for training and activity programs in aging

Objective: To establish and maintain a continuing inventory (1) of professional and technical training programs in aging; (2) of community activities, such as multipurpose activity centers, home help, meals on wheels, senior citizen volunteer programs, well older clinics, camping, preretirement education, housing projects, workshops, for older people; and (3) of positions in aging. Potential uses: Guides to universities and professional schools training specialists in aging, to employing agencies, and to persons interested in receiving training; for measures of progress in program and service development; for preparation of guides to successful programs. Early planning stage.

WORK WITH VOLUNTARY ASSOCIATION

One responsibility of the Special Staff on Aging is to assist national voluntary associations in developing and carrying out programs in aging. Materials published by the staff have been sent to more than 100 voluntary associations. In addition to that, within the past 6 months, special service has been rendered to the following national associations:

1. National Council on Aging.
2. National Recreation Association.
3. American Home Economics Association.
4. Gerontological Society.
5. National Retired Teachers Association.
6. New York State Association of Retired Teachers.
7. American Association of University Women.
8. Adult Education Association.
9. American Association of Retired Persons.
10. American Public Welfare Association.
11. American Nursing Association.
12. American Dietetic Association.
13. International Gerontological Association.
14. American Library Association.

PUBLIC INFORMATION ACTIVITIES

One of the major responsibilities of the Special Staff on Aging is the dissemination of information on programs in aging. During the past fiscal year the staff's activity in this area has been greatly stepped up. The public information activities, apart from answering hundreds of queries from citizens contained in private letters, include regular publications on special topics, distribution of reports and speeches, preparation of exhibits, sponsoring conferences and attending meetings, participating in radio and television shows and delivering speeches describing developments in aging both at the Federal level and throughout the country in States and communities.

PUBLICATIONS

A series of 14 publications under the general heading "Patterns for Progress in Aging" have been written and printed. These are case studies designed to make more widely known a variety of successful activities for and by older citizens. Each study provides an account of the nature, history, and development of a project and its impact on older people. Each is in effect an objective evaluation made by a responsible representative of the program.

Case study

- No. 1. A Community Nursing Home.
- No. 2. A Vocational Training and Placement Program for Older Workers.
- No. 3. An Activity Center for Senior Citizens.
- No. 4. A Community Craft Program.
- No. 5. Retirement Preparation: Chicago Plan.
- No. 6. A Senior Citizens Association.
- No. 7. A Vocational Counseling Program for Older Workers.
- No. 8. A County Health Department Geriatric Program.
- No. 9. The TVA Preretirement Program.
- No. 10. A Senior Citizens Service Center.
- No. 11. Senior City at the New York State Fair.
- No. 12. A Low Rent Public Housing Project for the Elderly.
- No. 13. A Friendly Visiting Program.
- No. 14. Senior Housing-Golden Age Center Program.

To disseminate materials developed at the White House Conference on Aging a series of publications known as Reports and Guidelines from the White House Conference on Aging have been prepared and distributed. There are 14 of these, 6 of which were completed this year. Listed below are their titles:

- 1. Aging With a Future. Selected Addresses from the White House Conference on Aging.
- 2. Education for Aging.
- 3. Employment Security and Retirement of the Older Worker.
- 4. Impact of Inflation on Retired Persons.
- 5. Income Maintenance, Including Financing Health Costs.
- 6. Free Time Activities: Recreation, Voluntary Services, Citizenship Participation.
- 7. Religion and Aging.
- 8. The Role and Training of Professional Personnel in the Field of Aging.
- 9. Research in Gerontology: Psychological and Social Sciences.
- 10. Research in Gerontology: Biological and Medical.
- 11. Rehabilitation and Aging.
- 12. Local Community Organization for Aging.
- 13. Federal Organizations and Programs in Aging.
- 14. National Voluntary Services and Service Organizations in Aging.

In addition to these publications the Special Staff on Aging publishes a monthly magazine—Aging, which has a circulation of more than 12,000.

REPORT OF WHITE HOUSE CONFERENCE

Mr. FOGARTY. As you know I have from time to time found fault with the final report of the White House Conference to the President. I never thought it was the action document that was expected. Many others who took part in this White House Conference expected what was promised. Now, was an action document ever prepared?

Dr. KENT. An action document has been prepared at the Federal level, but it has not been a blueprint for action, Mr. Chairman, that I wanted.

Mr. FOGARTY. Were the areas of responsibility defined and were follow-up steps recommended?

Dr. KENT. We made these steps. The special staff prepared a workbook in which what we did was listed. We listed each of the more than 600 recommendations and then tried to assign it to those whose responsibility it was to implement it. Our main task was to work with the Federal Government initially. The Public Health Service, Social Security Administration, Department of Labor and others have reviewed recommendations from the White House Conference.

For example, I have here a report from the Social Security Administration in which they have continuously tried to implement, and I think the present Administration has a very good record in terms of implementing the major recommendations.

LEGISLATIVE RECOMMENDATIONS OF WHITE HOUSE CONFERENCE

Mr. FOGARTY. All right. Now, what legislative recommendations resulted from the Conference?

Dr. KENT. The Conference recommended first of all that the minimum benefits under social security should be increased. This was enacted. They thought that the coverage eligibility requirements should be somewhat lessened. This also is being accomplished.

There was a recommendation that the widows' benefit should be increased. This was accomplished. It was recommended that the amount of money earned after receiving social security should be increased. This also was passed.

There were a number of recommendations which called for the development of out-of-hospital kind of services for all the people. I think the Community Health Services and Facilities Act passed last year does this.

There was a call for increased moneys for housing, and Congress last year granted this increase for moneys for housing. The Manpower Redevelopment and Training Act was one recommendation from the White House Conference. It is currently before Congress. The Area Redevelopment Act does in a way carry this out.

Mr. FOGARTY. This has not been very effective to date.

Dr. KENT. That, sir, I do not know. I think the key recommendation, the single thing to do the most good for older people, is the passage of legislation that would provide for adequate financing of medical care and that would have to be under the social security system. That was a recommendation before them.

Mr. FOGARTY. Is that all?

Dr. KENT. I have not forgotten the need for a blueprint for action. I would agree with you that there is this need. Shortly after I arrived and talked to you, I indicated to you that I thought this was a need and we would try to get it. I went over this White House Conference Report very, very carefully, and I am convinced that there is not a blueprint for action spelled out in the report in the present way it is presented. This does not mean that the White House Conference was not an important or good thing. It was very important. But I think what we have in this report are the basic elements from which we can construct a blueprint, but I do not think a blueprint is going to be constructed by 2,500 architects, but by a few experts.

We have taken steps to bring together a few experts in each of the areas, trying to build upon the White House Conference Report, to create this blueprint which you and I feel is needed.

PUBLICATIONS

Mr. FOGARTY. In the area of materials, I thought there were several pamphlets that you were working on down there. What has happened to that program? I understand several formal conferences were in progress. Has that program been stopped?

Dr. KENT. Not at all. We were cosponsors with our Office of Education in developing seven regional conferences on aging. We played an active part in all of them. One of the things we indicated that constantly comes to us from State officials is that they would like an annual meeting to compare notes on what we are doing and where we

should go from here. We are going to have a conference of State officials, that has been planned now. It will be held during the week of April 8 in Washington.

Mr. FOGARTY. Do you have one person that does most of the writing of these information pamphlets, or are they written by several people?

Dr. KENT. They are written by several persons within the special staff on aging.

Mr. FOGARTY. Do you have in your staff one person assigned full time to this work?

Dr. KENT. No, I draw upon each member of the staff. For example, in the area of research, usually it is Dr. Tibbitts or Mr. Brotman.

Mr. FOGARTY. Did you ever have one that was doing that work full time?

Dr. KENT. Not since I have been on the Special Staff, sir.

CONSULTANTS

Mr. FOGARTY. You have not been able to recruit much staff. What is going to happen to the funds that Congress made available?

Mr. KELLY. In laying out the plans for the Office of the Secretary, including the Special Staff on Aging, it was necessary to pick up a considerable amount of lapse on new positions to live within our total available funds as reduced by the reserves. A significant portion of the funds that have been saved as a result of the greater delay in filling the "aging" positions has been utilized to employ consultants. This device was used so that the activities spelled out in the budget plan could be carried out with this part-time staff and with the employment of expert consultants pending the filling of the positions on a permanent basis.

Mr. FOGARTY. It is easier to hire consultants?

Mr. KELLY. Yes; generally speaking, they are not giving up their jobs to take a position with you, but are giving you a small portion of their time.

Mr. FOGARTY. How much of the \$23,727 increase is going to be for consultants in 1963?

Mr. KELLY. No major extension in the use of consultants.

Dr. KENT. It is our hope and intent that we will have permanent people by then.

Mr. FOGARTY. What are you going to spend in 1962 for consultants?

Mr. HAMBLETON. In the 1962 budget the sum of \$19,000 was allocated for consultants. However, temporary reprogramming of funds in 1962 primarily from savings due to vacancies will allow a total of approximately \$40,000 for consultant services this year. In the 1963 budget the sum allocated for consultants is \$23,500. This is \$4,500 greater than the sum originally allocated for consultants in 1962. The major reason for the increase is to defray the costs of an additional meeting of the panel of consultants just appointed by the Secretary to advise him in formulating programs for our senior citizens.

DEPARTMENT'S PROPOSED LEGISLATION

Mr. FOGARTY. When the Secretary was here, he spoke about working on another bill. Has that bill been drawn and has it been approved by the Federal Council or anyone yet?

Dr. KENT. The bill has been drawn and submitted to the Federal Council on Aging. The Federal Council thought it was an excellent one.

FEDERAL COUNCIL

Mr. FOGARTY. Does the Federal Council anticipate having a meeting in the near future?

Dr. KENT. I should have said the executive committee of the Federal Council was the one that had approved it, sir.

Mr. FOGARTY. What about the Federal Council?

Dr. KENT. That I do not know.

Mr. FOGARTY. Are they going to be given a look at it?

Do you think you will ever hold another meeting of the Federal Council?

Dr. KENT. That, sir, would be up to the chairman to call.

Mr. FOGARTY. Who is the chairman?

Dr. KENT. Secretary Ribicoff.

Mr. FOGARTY. You are pretty close to him. Do you think he is going to call another meeting?

Dr. KENT. I think that everything we do is being submitted through the representatives to their members of the Federal Council. This is our intent. I know I have done it with my Secretary in terms of keeping him informed and I assume each of the others did.

Mr. FOGARTY. You assume there will be another meeting even though they haven't met in 3 years? Well, you are more optimistic than I am.

Dr. KENT. I think we have to remember, Mr. Chairman, we have an administration that is giving great concern to older people.

Mr. FOGARTY. I have been asking some of these questions for 15 years and I have been getting the same answers for 15 years. I remember at one time there were three on the staff. I thought that was not enough. Next year there were two. When you added the first professional people under the 1962 supplemental, on January 29, you had just about the same number you had before you got the supplementary appropriation. I am not positive about that, but I think it is right.

Dr. KENT. You are substantially correct. Again, I indicate, I am trying to get professionally trained gerontologists.

Mr. FOGARTY. Will you check that question?

Dr. KENT. I will be glad to.

(The information referred to follows:)

Special staff on aging

	Professional personnel	Clerical personnel	Total
Authorized as of Sept. 30, 1961-----	8	6	14
On duty as of Sept. 30, 1961-----	7	6	13
On duty as of Jan. 30, 1962-----	19	11	20

¹ Exclusive of 1 part-time consultant.

CHAIRMAN'S BILL ON AGING

Mr. FOGARTY. What do you think of the bill I introduced this year?

Dr. KENT. I have gone over it very carefully and I am speaking now personally rather than giving a departmental view of the bill. I think there is no question about the objective; I am in wholehearted agreement with it. I think however that the objectives need to stress training more than they do.

Mr. FOGARTY. Some people think it is a better bill than the Department had been able to get up.

Dr. KENT. Sir, I think our bill has certain features that are preferable. Again, I think the features that you have in terms of the grant program are altogether desirable for operating the agency, for demonstration projects. I think this is good. I think our bill has one advantage in that we also have grant money for the construction and operation of activity centers.

As you know, I also feel that it would be preferable to administer this through our Department rather than setting up a separate commission.

Mr. FOGARTY. That is why you and I disagree. I notice Senator McNamara, after conducting hearings all over the country, came to the same conclusion I did; that this might be the more effective approach. You disagree with Senator McNamara, too?

Dr. KENT. Yes, sir, I do.

Mr. FOGARTY. That was your position, I know, a year ago. We talked about it and we had hearings set up on the bill I introduced a year ago, and called them off with the hope that we would have more action by the Department. But after talking to many of these organizations, and with Senator McNamara and his staff, I reintroduced the bill. They seemed to be convinced that this was the better approach if we wanted to get action. They told me the results of the hearings that they held showed a great deal of concern about the lack of action on the Federal level.

IDENTIFICATION OF AGING PROGRAM IN BUDGET SCHEDULES

This is something you did not have anything to do with, but this committee indicated a few years ago that this area is important enough to be set out separately in the activity schedules. And that was done. Now, you have hidden it again.

Mr. MILES. Mr. Chairman, in the longer opening statement which is filed for the record, there is an explanation on this point. The Department now has received approval from the Director of the Bureau of the Budget to make a recommendation to you that the regional representatives on aging be transferred to the special staff on aging from the office of Field Administration and that the special staff on aging be included as a separate activity in the budget, and we do so.

Mr. KELLY. May I explain what it is that we are recommending, Mr. Chairman?

The budget for Field Administration shows professional and clerical positions related to aging in the regions. We are suggesting that these be transferred from the office of Field Administration and made a part of the Office of the Secretary. And that, together with

the budget of the special staff on aging, be treated as a separate activity. We were unable to accomplish a resolution of this in time to reflect it in the budget.

INCREASE FOR ASSISTANT SECRETARY FOR LEGISLATION

Mr. FOGARTY. Mr. Miles, one of the largest increases is a 75-percent increase for the Assistant Secretary for Legislation. Was there any cut in this office because of the reserve in 1962?

Mr. MILES. There was not.

Mr. FOGARTY. There is generally more legislative activity during the early part of any new administration, and there is usually more in an election year. So I thought 1962 would be more demanding than 1963.

Mr. MILES. The workload in this area is constantly increasing, Mr. Chairman, and in addition I might point out that a major element of the increase in that office has to do with the area of the special studies which we are recommending, which will, in effect, give that office, in cooperation with other parts of the Department, the leadership potential to make more studies of the kind which the Secretary mentioned a year ago, on which really we have only undertaken one of a major degree this past year—in the whole area of welfare.

With respect to the reorientation of welfare programs and purposes, I think the Secretary discussed this when he was before your committee. This is the only thing that is of a very major kind.

In addition to that, the grant coordinating function which we are proposing here as a new function, will also be substantially in that office.

Mr. FOGARTY. What was that last point?

Mr. MILES. On the grant coordination, as you know we have about 50 different grant programs in our Department. The need for coordination, so that there is some harmony of policy between the different operating agencies of the Department, is clear. In the training grant area, for example, we have different levels and stipends for fellowships. We have many different policies for the reason that we do not have adequate staff in the Office of the Secretary to deal with the operating agencies and see that these programs are brought into harmony. We do not think it is wise to have competition between the different operating agencies in the level of stipends.

Mr. FOGARTY. How might that affect the autonomy of the Office of Education and Public Health Service that was written into the law when this became a Cabinet position? They enjoy a little more independence because of Congress insistence that they do.

Mr. MILES. I think that, in general, yes, they do. But I think that they would agree with this plan.

Mr. FOGARTY. It was written here in the law, when this was changed to a Department.

Mr. MILES. That is right. I think the Office of Education would be the first to agree that there is a need for coordination to see that there is not competition between the different fellowships and stipends.

Mr. FOGARTY. They might have some complaint if they were directed to make changes they don't agree with.

Mr. MILES. The intention is not to tell them what to do. The individual who is the coordinator would work closely with them and try

to arrive at an agreement and understanding between them. I think, in almost all instances, he would achieve the agreement without any need to use any authority of the Office of the Secretary.

I think, too, that such a man needs to examine very carefully the impact of these various programs on the institutions of higher learning. We have not adequately maintained an understanding of the impact of all these different programs on institutions of higher learning.

I noticed in the television show last night, "Dobie Gillis," the reference was made in a joking way to the various Federal grants. This was a junior college that they were showing and they were making reference to the different Federal grants, the possibility of getting more grants.

Mr. FOGARTY. Half of these institutions of higher learning would have to close if they did not get Federal grants.

Mr. MILES. They didn't go into that. But I am amazed because of how little we know about the impact of our grant programs on the higher educational institutions.

Mr. FOGARTY. I see your point. But I also want to stress the fact that in something like this the degree of autonomy granted to the Public Health Service and the Department of Education should be respected. We do not want to get any complaints on that.

Mr. MILES. Yes.

Mr. FOGARTY. You stressed quite a bit, on pages 32 and 33, the responsibilities of the Assistant Secretary with regard to water pollution control. I am surprised Mr. Quigley has not appeared before the committee to talk about this. I understand he was sick when the item was heard but I would think he would have been scheduled as the principal witness.

I had a meeting with many conservation groups a short time ago and they were very happy with the selection of Mr. Quigley.

RESPONSIBILITIES OF ASSISTANT SECRETARY

What are the responsibilities that Mr. Quigley has?

Mr. MILES. He is the Employment Policy Officer of the Department, which is the position which carries out the responsibilities under the President's antidiscrimination order.

PERSONNEL PROBLEMS

Mr. FOGARTY. Has any problem developed?

Mr. MILES. There have been quite a number.

Mr. FOGARTY. In the Public Health Service?

Mr. MILES. Some of them, yes.

Mr. FOGARTY. Are there any of a serious nature?

Mr. MILES. Well, I do not think that any findings have been made of discrimination of a serious nature in Public Health Service.

Mr. FOGARTY. Some inferences have been made?

Mr. MILES. Yes, sir.

Mr. FOGARTY. Did Mr. Quigley read the record when this Department was made a Cabinet position, the autonomy of the Public Health Service, and the Office of Education?

Mr. MILES. That, I cannot say.

Mr. FOGARTY. Will you ask him?

Mr. MILES. Yes.

Mr. FOGARTY. Has anything happened in the Office of Education along this line?

Mr. MILES. I cannot say; I do not know of any specific instances.

Mr. FOGARTY. What is this directive, how does it read?

Mr. MILES. I do not have a copy of it. I can furnish it for the record if you would like to have it. But what it does substantially, is to direct each Department agency to establish a policy and have the machinery to carry it out, including an employment policy officer designated by the Secretary, in order to assure that there should be no discrimination within the Department on account of race, color, creed, or national origin in terms of employment, promotion, or any other personnel action.

Mr. FOGARTY. All right. Now, when a complaint is made, what does this person do?

Mr. MILES. He may write either to his own agency, file a grievance with his own operating agency, or he may go directly to the President's committee on this subject, which is headed by the Vice President. That Committee then forwards the complaint to the Department employment policy officer who then looks into the matter.

Mr. FOGARTY. How does he look into it?

Mr. MILES. He may do it either himself or he may designate an individual, or in some instances he designates a panel of two or three people to look into it. He has used all three of these methods.

Mr. FOGARTY. As far as you know, there have not been any real serious breaches of this?

Mr. MILES. I know of no instances in which there has been a finding of culpability of discrimination on the part of any individual supervisor in the Department so far.

Mr. FOGARTY. Is there anything else you want to say, Mr. Miles?

Mr. MILES. I should just add that Mr. Quigley also is in charge of the Congressional Liaison Office and Chairman of the Department's Patents Board, and he supervises the international program, which is steadily and rapidly growing in importance. There are two additional positions in the international activities.

Mr. FOGARTY. The appropriations do not show that it is rapidly growing. I would like to see it grow a lot more myself.

CONGRESSIONAL LIAISON

He is in charge of the Congressional Liaison Office?

Mr. MILES. It is under his supervision; yes, sir.

Mr. FOGARTY. I see. How many are there in that office?

Mr. HAMBLETON. Four members.

Mr. FOGARTY. Who are they?

Mr. HAMBLETON. Mrs. Akin and three stenographic or clerical jobs.

Mr. FOGARTY. So it is just she and Mr. Quigley that are actually liaison people?

Mr. HAMBLETON. That is right, Mrs. Akin and an assistant and two girls.

Mr. FOGARTY. Who is the assistant?

Mr. HAMBLETON. Mrs. Garthune. She is an inside person who does not come up to the Hill, but handles all telephone calls, correspondence, and so on.

Mr. FOGARTY. Is there anything else you want to say?

Mr. MILES. No, sir; unless you have another question.

Mr. FOGARTY. Thank you very much.

OFFICE OF FIELD ADMINISTRATION

WEDNESDAY, FEBRUARY 28, 1962.

WITNESSES

CHESTER B. LUND, DIRECTOR, OFFICE OF FIELD ADMINISTRATION
JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	3,244	3,686	3,989
Positions other than permanent.....	17	28	28
Other personnel compensation.....	80	70	4
Total personnel compensation.....	3,341	3,784	4,021
12 Personnel benefits.....	244	287	310
21 Travel and transportation of persons.....	193	235	305
22 Transportation of things.....	8	6	6
23 Rent, communications, and utilities.....	143	165	249
24 Printing and reproduction.....	17	15	16
25 Other services.....	25	24	24
26 Supplies and materials.....	93	101	114
31 Equipment.....	67	21	15
Total obligations.....	4,130	4,638	5,060

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	555	617	654
Full-time equivalent of other positions.....	4	7	7
Average number of all employees.....	499	562	590
Number of employees at end of year.....	531	595	622
Average GS grade.....	7.1	7.3	7.4
Average GS salary.....	\$6,362	\$6,469	\$6,666

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Field administration.....	2,362	2,768	3,048
2. Grant-in-aid audits.....	1,544	1,672	1,767
3. State merit systems.....	236	241	243
Total program costs.....	4,142	4,681	5,058
Change in selected resources ¹	-12	-43	2
Total obligations.....	4,130	4,638	5,060
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts):			
Federal old-age and survivors insurance trust fund.....	-1,162	-1,427	-1,457
Operating fund, Bureau of Federal Credit Unions.....	-38	-38	-38
Unobligated balance lapsing.....	12	47	
New obligational authority.....	2,942	3,220	3,565
New obligational authority:			
Appropriation.....	2,942	3,265	3,565
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353).....		-45	
Appropriation (adjusted).....	2,942	3,220	3,565

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$70,000; 1961, \$58,000; 1962, \$15,000; 1963, \$17,000.

Mr. FOGARTY. Go ahead, Mr. Lund.

GENERAL STATEMENT

Mr. LUND. If it is your pleasure, we have submitted the longer statement.

Mr. FOGARTY. We will put that in the record.
(The statement follows:)

SALARIES AND EXPENSES

Mr. Chairman and members of the committee, the Office of Field Administration is responsible for the operation of nine consolidated regional offices, audit of the Department's grant-in-aid programs, and for administering the personnel and merit system provisions applicable to the grant-in-aid programs of the Department.

SUMMARY OF THE 1963 REQUIREMENTS

Our budget request is for \$5,060,000 and 654 positions. This will provide an increase of \$286,000 and 25 positions over our obligational authority for fiscal year 1962. This increase will provide professional assistance to each regional director to enable him to meet increased workloads and more effectively carry out his responsibilities, additional clerical staff for our regional housekeeping functions due to uncontrollable workloads, and several auditors to help meet the full impact of recently enacted legislation and increased workloads.

At this point I would like to briefly describe our mission and highlight some of our accomplishments and anticipated performance.

MISSION

Our field administration activity is responsible for the operation of our regional offices. Its function is to review, evaluate, and coordinate program operations conducted through regional offices and to provide administrative services. There is a regional director representing the Secretary in each region, who directs and supervises these offices, carries out Department policies, and is responsible for overall public relations and liaison with Governors and other principal public

officials. Grant-in-aid audit, civil defense services, merit system personnel, and aging consultation are furnished to regional program operators and the States through staff assigned to the regional director. Administrative services are also provided on a unified economical basis to staff in the regional office proper and to employees under regional office jurisdiction but located elsewhere.

The grant-in-aid audit activity performs audits at the State and local level for 34 grant programs administered by Public Health, Social Security Administration, Office of Vocational Rehabilitation, and Office of Education. It also audits State surplus property agencies on the utilization of Federal surplus property. In addition, it is responsible for working with Department program officials in developing and interpreting fiscal requirements and standards in use of grant-in-aid funds.

State merit system personnel serve the Department's grant-in-aid programs in relation to their requirements on State personnel administration. They review State personnel operations and their current standards and provisions required under Federal law and regulations. Furthermore, through these reviews and through the technical services provided they help States meet the required standards and by more effective methods, to achieve greater economy and efficiency in their administration.

ACCOMPLISHMENTS AND ANTICIPATED PERFORMANCE

We are continuously making gains in achieving our objective of coordination and more uniform and effective operation of regional offices. Under supervision of the regional directors, related programs continue to be brought into much closer operating relations. Emphasis will be placed on appraising our field organization and management to attain more effective coordination, efficiency, and economy. Various administrative services were provided to approximately 18,400 field employees in fiscal year 1961. In 1962 and 1963 it is anticipated that we will service 20,800 and 22,200 respectively. The fiscal year 1963 positions to be serviced represent approximately 28 percent of the Department's total and includes a 7-percent increase over 1962. Our 1962 administrative services workload included increases on all fronts, but resulted primarily from the impact of the OASI staffing due to the social security amendments for 1961. We are able to meet this impact for the most part by staff provided in a supplemental appropriation approved for this activity in the closing days of the last session of Congress. Although the 1963 increase will be somewhat less than that in 1962 it will further increase our workload.

In fiscal year 1961, the grant-in-aid activity audited \$4.6 billion worth of expenditures (over half representing Federal funds) made by States, territories, and some 2,600 local government units and nonprofit organizations. Based on recent data, in fiscal year 1962 it is anticipated that expenditures will reach \$4.8 billion and in 1963, \$5.5 billion.

Approximately 70 percent of the approximate 2,000 audits to be made in 1962 represents construction audits for hospitals, schools, sewage treatment, and health research facilities. These audits require our immediate attention upon completion of the construction in order that final payment can be made to the contractors and vendors.

Our backlog as of June 30, 1961, was estimated at 74 man-years. It is anticipated to remain at this level through June 30, 1962. We are currently taking all administrative measures possible to reduce this backlog. This includes the review of audit working procedures and schedules and directing our regional auditors to make more intensive supervisory reviews.

To the extent possible, the merit system staff will continue to respond to State requests for technical services on personnel administration and also provide advice to our program units. The magnitude of the scope of this operation can be better illustrated by the fact that they are involved in 17 types of grants-in-aid, which apply to 70 different State merit systems and over 300 State agencies.

HIGHLIGHT OF INCREASED REQUIREMENTS

To correct some of our deficiencies and to enable us to meet the increased workloads, we will need \$286,000 and 25 positions of which 20 are for field administration activity and 5 for grant-in-aid audits.

The "Field administration" activity request includes 9 program analysts and 11 clerical positions all for the regional offices. Regional directors are faced with the need for assistance to correct some of their operating deficiencies

and to increase their effectiveness in carrying out their responsibilities as representatives of the Secretary in their respective regions. As new programs are added to the Department and existing ones expanded the responsibilities and workload of the regional directors become increasingly burdensome. These men cannot perform their job effectively with existing staff. There is a serious need for a program analyst on the regional director's staff to collect, evaluate, and interpret program material essential for internal interprogram cooperation, coordination, and management; to develop various types of information on a regional basis to help serve as a basis for recommendations to the Secretary; to compile informational material to meet requests from States, legislatures, community groups, public officials; to keep the regional director current on emerging problems, policy issues, and gaps in HEW programs and prepare material for release through various media and other groups which will lead to a better understanding of HEW programs.

Such a position will certainly be an asset to the regional director and the Department.

In the area of providing housekeeping services to regional employees we have a need for seven personnel and four payroll clerks. These are necessary to provide essential management services to the new staff being requested by the operating agencies. It will permit operating at about the same ratio level as in fiscal year 1962, e.g., 140 persons served to 1 personnel clerk and 296 persons served to 1 payroll clerk.

Our "grant-in-aid" activity requires three auditors for the field and two for headquarters. The field requirements will provide help in meeting the full impact of the workload in fiscal year 1963 resulting from the Social Security Amendments of 1960 and the act relating to aid to dependent children of unemployed parents. These positions are essential to prevent any further increase in our backlog.

Assistance for headquarters is necessary for the following reasons: (1) As a result of a General Accounting Office review and analysis of the Division's audits work programs and working papers, they recommended a program for training the field audit staff in the art of preparing work papers with clarity and specificity to assure that audit work is properly documented to support conclusions. The establishment of such a program will require an additional person to assist in the developing of guides and standards in this area and to permit a more comprehensive program of visits by headquarters staff to regional offices and site of audit operations to determine that guides, standards, and recommended actions are being followed.

(2) The field branch has been plagued with progressive increases for several years in the number of grant-in-aid programs audited and the increasing size of the field staff. During this period, this headquarters staff has not increased. As a result site inspections of audit operations have been abandoned and needed revisions of audit manuals have been backlogged. A more current and immediate problem needing attention is the need for developing know-how and guides to assist the auditors in effectively furnishing to State agencies consultative services in the field of automatic data processing. An increasing number of installations by State agencies will add to our audit problems and require technical assistance. Failure to meet this problem can result in an increase in backlog.

Other increases include funds for space in regional offices to house new staff requested by operating agencies for fiscal year 1963 and to meet increased travel requirement of the auditors, regional aging representatives, State merit system regional representatives, and regional directors.

All these increases are essential if we are to carry out our assigned mission in each of our activities effectively, efficiently, and economically.

Mr. LUND. I would also like if I may to very briefly present a capsule summary.

BUDGET REQUEST

Mr. Chairman and members of the committee, the Office of Field Administration is responsible for the operation of nine consolidated regional offices, audit of grant-in-aid programs and administering the personnel and merit system provisions applicable to the grant-in-aid

programs of the Department. The request for 1963 is \$5,060,000 and 654 positions, an increase of \$286,000 and 25 positions over 1962.

We are continually faced with increased workloads on all fronts making it essential that we request an increase for fiscal year 1963. For example, our regional office management activities will provide various administrative services to 20,800 field employees in 1962. In fiscal year 1963, it is anticipated we will service 22,200.

INCREASE IN STAFF

To enable us to meet these increases and to correct operating deficiencies, we are requesting 20 new positions for field administration and 5 new positions for grant-in-aid audits. Of the 20 positions for field administration, 9 are program analysts to assist the regional directors and 11 are clerical positions, all for the regional offices.

New and expanded programs have increased the burdens and responsibilities of the regional directors which necessitates the request for the program analysts.

The 11 clerical positions are needed for our personnel and payroll units to provide essential services to the new staff being requested by the operating agencies. This new staff represents a 7-percent increase over fiscal year 1962. Our request for the grant-in-aid function is for five additional positions needed primarily in connection with workloads resulting from the full impact in 1963 of the Social Security Amendments of 1960, and the act relating to aid to dependent children of unemployed parents, and also to expand our training of field auditors.

Our audit backlog which was 74 man-years at the end of 1961 is expected to remain about the same in 1962. We are currently reviewing our audit working procedures and schedules, and directing our regional auditors to make more intensive supervisory reviews in hopes of reducing this backlog.

Mr. FOGARTY. Thank you.

SUMMARY OF 1963 BUDGET

The total of the funds available for 1962 is \$4,821,000 and \$5,060,000 is requested for 1963, an increase of \$239,000 and 20 positions.

Now, will you supply for the record a complete breakdown of these 20 positions and an explanation of why they are needed?

Mr. LUND. I would be glad to. I could do it orally if you would like.

Mr. FOGARTY. I would like it for the record.

Mr. LUND. All right.

(The requested information follows:)

SALARIES AND EXPENSES, OFFICE OF FIELD ADMINISTRATION OFFICE OF THE SECRETARY

Summary of changes

1962 enacted appropriation :

Appropriation-----	\$3,265,000	
OASI trust fund transfer-----	1,427,000	
Bureau of Federal Credit Unions transfer-----	38,000	\$4,730,000
Civil Defense operating budget-----		136,000
Transferred to "Operating expenses, PBS, GSA"-----		—45,000
Administrative reserve-----		—47,000

Total estimated obligations, 1962-----		4,774,000
1963 estimated obligations-----		5,060,000

Total change-----		286,000
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Increases :

A. "Built-in" :

1. Annualization of 50 new positions authorized in 1962 for 77 percent of year :		
(a) Personnel compensation-----	\$56,786	
(b) Other related costs-----	5,264	62,050
2. To finance common supply and communication costs in regional offices for new staff authorized operating agencies in 1962 :		
(a) supply-----	10,370	
(b) communications-----	9,630	20,000
Subtotal, "Built-in"-----		82,050

B. Program increases :

1. Program analysts for regional offices :

(a) Personnel compensation (9 positions)-----	67,570	
(b) Travel-----	3,000	
(c) Other related costs-----	9,430	

2. Clerical assistance for regional office personnel and payroll units :

(a) Personnel compensation (11 positions)-----	33,285	
(b) Other related costs-----	8,215	41,500

3. Field auditors to meet increased workloads resulting from recently enacted legislation :

(a) Personnel compensation (3 positions)-----	14,255	
(b) Other related costs-----	5,525	19,780

4. Implementation of General Accounting Office recommendations related to grant-in-aid audits :

(a) Personnel compensation (1 position)-----	6,495	
(b) Other related costs-----	2,365	8,860

5. Staff assistance for grant-in-aid audit at headquarters :

(a) Personnel compensation (1 position)-----	6,495	
(b) Other related costs-----	2,365	8,860

6. Increased travel requirements for existing staff----- 41,100

7. For regional office general purpose space requirements----- 70,000

B. Program increases—Continued

8. Reduction in lapse rate for civil defense activity to allow funds for full annual salaries for certain positions now filled by retired annuitants:		
(a) Personnel compensation-----	\$13, 033	
(b) Other related costs-----	967	
		\$14, 000
9. Toll call requirements for regional aging representatives -----		1, 000
Subtotal, program increases-----		285, 100
Gross increases -----		367, 150

Decreases:

A. Nonrecurring:

1. Equipment related to new staff in 1962-----	15, 150
2. Overtime funds related to increased workload in 1962 resulting from Social Security Amendments of 1961-----	66, 000
Subtotal, decreases-----	81, 150
Total net change, requested-----	286, 000

EXPLANATION OF CHANGES

Program analysts for regional offices

An increase of \$80,000 is requested to provide a program analyst in each of nine regional offices. The analysts would enable the regional director to improve the efficiency and effectiveness of regional administration by preparing analyses of data for use by the States and headquarters units, by meeting the large and increasing numbers of requests for data on programs involving more than one organizational unit, and by abstracting program reports and other materials to meet the needs of the program operators, both State and Federal. This personnel would study, analyze, and report to the regional directors on special problems and needs occurring in a State or in a group of States. The analysts also would improve the exchange of information among program representatives in the regional offices, thus producing better coordination of multiple activities.

Clerical assistance for regional office personnel and payroll units

An increase of \$41,500 is requested to provide 11 clerical positions (personnel and payroll clerks) to meet increased uncontrollable workloads due to an additional 1,400 employees to be serviced by regional offices in fiscal year 1963.

Field auditors to meet increased workloads due to recent enacted legislation

Three additional field auditors at a cost of \$19,780 are requested to enable the Division of Grant-in-Aid Audits to meet the full workload impact in 1963 of the Social Security Amendments of 1960 and Aid to Dependent Children of Unemployed Parents Act.

Implementation of General Accounting Office recommendations related to grant-in-aid audits

An increase of \$8,860 is requested to provide one additional professional position for headquarters to develop guides and minimum standards to provide some measure of detail of work programs and working papers as desired by a GAO review.

Staff assistance for headquarters

An increase of \$8,860 is requested to provide one auditor for the headquarters' field branch to assist with the progressive increase in workload resulting from additional grant-in-aid programs and field staff increases during the past several years, and the increasing installations of automatic data processing systems by State agencies. This requires reestablishment of site inspections of audit operations, revision of audit manuals, and the providing of technical assistance to field auditors in the areas of automatic data processing.

Increased requirements for existing staff

Increased activity on all fronts create an additional need of \$41,100 in travel funds. These needs are broken down as follows:

(1) Regional directors-----	\$2, 700
(2) Regional aging representatives-----	15, 600
(3) Grant-in-aid auditors-----	20, 800
(4) Regional State merit system representatives-----	2, 000

For regional office general purpose space requirements in regional offices

A total of \$70,000 is requested for the purpose of acquiring additional space with related costs for new staff requested for 1963 by certain of the operating agencies to be located in regional offices.

Reduction in lapse rate for the civil defense activity to allow funds for full annual salaries of certain positions

To permit the employment in 1963 of regular employees \$14,000 is requested to replace retired annuitants now holding two of the regional positions.

Toll call requirements for regional aging representatives

Accelerated program activity in this area will require an additional \$1,000 in toll call costs to meet the aging representatives' needs.

RESERVE

Mr. FOGARTY. There is a reserve of \$47,000 out of the 1962 appropriation. What is the effect of that cut?

Mr. LUND. Well, we had a little difficulty because as you know we are operating on a very close budget. We eliminated one aging position, one field administration position, and three audit positions.

Mr. FOGARTY. That is right where you need it most.

Mr. LUND. That is right.

Mr. FOGARTY. You have been telling us you need more auditors for some time.

Mr. LUND. That is right. You see, in the field management program which operates on a tight schedule, we did not want to take any additional positions because if we did we might miss getting out payrolls and things that would result in unfavorable reaction.

Mr. FOGARTY. In your justification for 1963 you put a great deal of emphasis on the need for these new positions to make more audits and save money.

Mr. LUND. That is correct.

Mr. FOGARTY. This reserve is not going to save any money in the long run, is it?

Mr. LUND. No, I do not think it is.

Mr. FOGARTY. It probably could have made money for the Government if you were able to fill these positions in 1962. Is that a fair assumption?

Mr. LUND. Well, what happens, of course, is a building up of the backlog or the impossibility of reducing the backlog.

Mr. FOGARTY. This would cost the Government money?

Mr. LUND. Yes, sir; it does.

PROGRAM ANALYSTS

Mr. FOGARTY. Your largest program increase is \$80,000 for program analysts in the regional office.

Mr. LUND. Yes, sir.

Mr. FOGARTY. Is this just about the same thing that was requested last year and not allowed?

Mr. LUND. It is identical to that with one little thing added.

Mr. FOGARTY. Tell us something about it?

Mr. LUND. We tried to make a brief survey of the regional offices and their functions, and discussed it with the regional directors. They feel they need additional help. One thing we have been attempting to do is to put together facts from all over the Department so that when the regional directors visit Governors they can lay out before them the total program of participation by our Department in the State's programs, with two things in mind, to keep the Governors and their officials better informed, and to give them a specific understanding of this operation so that there may be a potential for making adjustments in the operations of the States' own programs, as in audits or merit systems or things of that kind.

The States are asking us for more and more specific information, and consultation services, and you cannot go in and consult unless you can put together all the facts. There are more and more demands being made on the regional office. We feel that in the long run, if we had this analyst position, it might be possible for us to at least effect the savings and costs of these positions.

If we cannot, we will at least have a better informed group of people who have the responsibility jointly with us. We think it would be most helpful to everyone if we could have these positions.

AUDIT BACKLOG

Mr. FOGARTY. You state on page 107 that the audit backlog on June 30, 1961, was estimated at 74 man-years and that this is an increase of 8 man-years over the backlog of the year before. Is this a reasonable backlog?

Mr. LUND. We do not think it is a reasonable backlog. We have made some slight inroads on this backlog since this budget was printed. We have been working on a plan to attempt to reduce this backlog further. First, we are doing a better job of training our auditors; second, where we are behind 2 or 3 years in a given program in a State we audit those years all at once which makes possible the elimination of several audit steps.

We are also going to do some experimenting in our public assistance audits to see if we can reduce the task by having someone from the central office go out and actually tab out every step and practice in the audit process. Specifically we are trying to find ways and means of further reducing our audit backlog.

We do not feel we need too much audit detail. We are also working and have been working with Mr. Kelly's shop and we intend to review the audit processes in every single region. We have already been in five regions and we think we will not increase our backlog any further. We feel that we could reduce this backlog if we had a few more auditors, but we are going to take every possible step, first, before we ask for more auditors.

Mr. FOGARTY. But from these figures I read the backlog is increasing.

Mr. LUND. That is correct. That was carried over from last year, and we figure we can hold where we are, we do not think we can make much gain, but we are hoping to make some reduction.

Mr. FOGARTY. They took three positions away from you in 1962, is that correct?

Mr. LUND. That is correct.

Mr. FOGARTY. You would not hold that level of backlog in 1963?

Mr. LUND. We think with the steps we have taken in between that we will hold it.

Mr. FOGARTY. Provided you are allowed to spend the money?

Mr. LUND. That is correct.

Mr. FOGARTY. So you think you can take care of this situation with the increase of five positions and \$95,000 for your Audit Division?

Mr. LUND. I would put it in these terms, that we will not, as we see it, lose ground or build the backlog further.

OVERTIME

Mr. FOGARTY. I notice you have a nonrecurring item of \$66,000 for overtime payments in 1962. What is your policy on paying for overtime?

Mr. LUND. We attempt to pay all of those entitled to overtime.

Mr. FOGARTY. We hope they are all paid, but I do not like the word "attempt." If you do not pay them you are going to get in trouble.

Mr. LUND. We ask and try to anticipate the amount of overtime to be required in relation to whatever the program planning is. We asked for the money. We work these people to that point of overtime and they are paid. Now there have been instances, of course, when there has been no money for overtime or we have been denied the money for overtime.

Mr. FOGARTY. Any time that you have that problem in the future, I hope you inform the committee, and we want to find out who refused you the money. The committee does not like anyone working for nothing. Whenever they work we want them paid, and I do not care who is responsible.

Mr. LUND. You recall last year the committee did grant it and we did get this overtime money for 1962. I know of no persons currently who have been working overtime who were not being paid. We have tried to avoid the situation. There might be an emergency when a person is ill or something and we give compensatory time, but as a matter of policy I think we could concur with the point of view that you hold.

Mr. FOGARTY. But I have not visited with a regional director for the last 5 years who has not complained about having to work his fiscal and administrative services people more overtime than he has funds to pay. Have they been kidding me?

Mr. LUND. No, I don't think they are. Now are they talking about the personnel unit and their payroll group?

Mr. FOGARTY. Yes.

Mr. LUND. To my knowledge, this cannot be done except like in a payroll, and then what we have done on several occasions is to loan people in order to get those payrolls out. But I could check it out.

When they ask for more money than we have we tell them that they cannot work these people so the field is advised of the situation. I only know of one or two instances where there have been emergencies, where it has occurred.

EXAMPLE OF UNCOMPENSATED OVERTIME

Mr. FOGARTY. Well, I was told by one regional director within the last year that in his fiscal management section he had almost 100 percent turnover in a 6-month period. He said that many hours of uncompensated overtime were put in by these people; that they did not have the funds to pay them and couldn't give them compensatory time off because they could not even allow them to take their regular annual leave.

He said that one girl worked for 1 day and never even returned for her day's pay.

Mr. LUND. I think that is correct.

Mr. FOGARTY. That is a pretty sad mess.

Mr. LUND. I know where that happened and we got in on it and we did allocate extra money. But you see one of our problems is that we run so close in our appropriation for personnel and payroll, that we have no depth. We are running just as close as it is possible to run.

Mr. FOGARTY. From what I have heard, some of this has happened in other regions, too.

Mr. LUND. As I say, I know where this has happened.

Mr. FOGARTY. How much uncompensated overtime would you estimate was worked in the regional offices by this type of personnel during the last fiscal year?

Mr. LUND. From the reports we have received in our office, I would say that there should not currently be any. Now what happened in the case on the west coast, and also in Atlanta, I do not know exactly, but I can find out.

Mr. FOGARTY. All right. Will you supply that information?

Mr. LUND. Yes.

(Following is the information requested:)

It is estimated that 5,000 hours of voluntary uncompensated overtime was performed by the personnel, fiscal and office service employees in the nine regional offices during fiscal year 1961.

PRODUCTION RATIOS

Mr. FOGARTY. How does the regional offices' actual production of such work as payrolling and voucher review compare with Government standards? Give me actual figures if you have them.

Mr. LUND. The only Government standard available is the old Bureau of the Budget standard for fiscal year 1955. And we beat it terrifically. I will get it for the record.

(The requested information follows:)

	Performance, fiscal year 1961	Last suggested ratios by the Bureau of the Budget in fiscal year 1955
Payroll.....	287:1	250:1
Personnel.....	138:1	110:1
Voucher examination.....	4,485:1	4,000:1

Mr. FOGARTY. Is that good or bad? If you are away ahead of the standard, that means you are pushing them pretty hard.

Mr. LUND. That is true, we are.

Mr. FOGARTY. Is that something you brag about?

Mr. LUND. No, I was not putting it that way. As I said before, we have not been able to get enough people to have adequate staffing depth to meet emergencies. We have asked for it in relation to the overall workload and have tried to adjust to make it adequate and to live with what we get.

Mr. FOGARTY. Now, you say this problem on the west coast has been taken care of?

Mr. LUND. Yes, sir.

Mr. FOGARTY. To Mr. Hunter's satisfaction?

Mr. LUND. I think so. Although he would like to have more.

Mr. FOGARTY. I thought he was doing a good job out there.

Mr. LUND. Very good.

Mr. FOGARTY. He seemed to me to be a very able person, and I heard others say some pretty complimentary things about him while I was out there.

Mr. LUND. We have every respect for Mr. Hunter and his operation. He was caught in a situation that we could not control, that is, a tremendous turnover, illness and so forth.

Mr. FOGARTY. The turnover was one of the worst I have ever heard of.

Mr. LUND. We had another region that hit 70 percent, if I remember.

Mr. FOGARTY. Atlanta?

Mr. LUND. Yes, sir.

When you have these problems and have no depth in staff, I do not know what else you can do, but pay the overtime as long as you have got it, and make a loan of personnel to try to adjust for these people.

SURPLUS PROPERTY UTILIZATION

WITNESSES

CHESTER B. LUND, DIRECTOR, OFFICE OF FIELD ADMINISTRATION
 J. WENDELL GRAY, CHIEF, DIVISION OF SURPLUS PROPERTY
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	632	694	703
Other personnel compensation.....	3		
Total personnel compensation.....	635	694	703
12 Personnel benefits.....	46	52	53
21 Travel and transportation of persons.....	48	64	73
22 Transportation of things.....	2		
23 Rent, communications, and utilities.....	22	26	26
24 Printing and reproduction.....	5	5	5
25 Other services.....	2	2	2
26 Supplies and materials.....	8	6	8
31 Equipment.....	12	2	
Total obligations.....	779	851	870

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	102	107	107
Average number of all employees.....	90	96	94
Number of employees at end of year.....	90	99	97
Average GS grade.....	7.4	7.9	7.9
Average GS salary.....	\$6,829	\$7,043	\$7,174

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
Surplus property utilization (total program costs).....	773	856	868
Change in selected resources ¹	6	-5	2
Total obligations.....	779	851	870
Financing: Unobligated balance lapsing.....	7	11	
New obligational authority (appropriation).....	786	862	870

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$4,000; 1961, \$10,000; 1962, \$5,000; 1963, \$7,000.

Mr. FOGARTY. We will place your statement on surplus property utilization in the record.
 (The following follows:)

STATEMENT OF THE DIRECTOR

Mr. Chairman and members of the committee, our request for fiscal year 1963 is \$870,000 and 107 positions, which is \$19,000 more than our obligational authority for fiscal year 1962. No additional positions are requested. As you

know, this program is responsible for locating and allocating real and personal property surplus to the needs of the Government. Personal property is channeled to State surplus property agencies for distribution to eligible health, education, and civil defense units. Real property is transferred direct to eligible health and educational institutions. We are also responsible for enforcing the compliance provisions as they affect the donations and transfers, and for assuring that State agencies meet the minimum standards of operations established for this program as required by law.

In fiscal year 1961, based on acquisition cost, we allocated personal property valued at over \$376 million, and transferred approximately \$31 million worth of real property. Furthermore, we deposited in the Treasury about \$650,000 as a result of our sales, abrogation, and compliance activities.

To accomplish the allocation of the personal property, we processed approximately 76,000 State applications. Although the dollar value of property allocated in 1961 was a small decrease of about 6 percent from the previous year, the number of documents processed was approximately 6 percent more. The major reasons for the decrease in dollar value were—

1. A significant change in the types of property becoming available for donation, e.g., less of the common-use items and more of the technical materials which require more time to identify and adapt for use;
2. Increased efforts for Federal utilization; and,
3. A change in the screening procedures which temporarily affected the volume of property available.

We also handled and reported 463 compliance and utilization cases in 1961.

Our real property activity included 249 new transfers for both on- and off-site uses. The total onsite transfers, which normally require physical surveys to determine suitability and program uses, increased by about 7 percent; whereas, the total offsite cases decreased by 2½ percent. At the end of fiscal year 1961, we had 125 compliance enforcement cases pending, of which 80 percent represented offsite cases.

We assisted a number of States in revising their plans of operations, due to deficiencies noted during reviews and audits, and as a result of changes in State laws, executive orders, and new opinions of State attorneys general.

ANTICIPATED ACCOMPLISHMENTS

It is estimated that we will allocate in fiscal year 1962 personal property valued at \$386 million, and \$405 million in fiscal year 1963. This increased performance will be brought about by the three new screeners authorized in fiscal year 1962, improved screening methods, and other new procedures.

In real property, we anticipate transfers valued at \$35.5 million in fiscal years 1962 and 1963. The increase over fiscal year 1961 is primarily due to the anticipated closing of certain military bases throughout the country, as announced by the Department of Defense in March 1961. To provide more staff time to meet the increasing workload, our administrative policy was revised to require physical surveys of each deed case once every 3 years, instead of annually.

Standards and reviews workload will also continue to be heavy in view of the number of deficiencies noted in recent surveys and audits which will require a close working relationship with the State agencies concerned.

Our cash collection activity, as a result of current developments, will exceed \$1 million during this fiscal year. I would like to add, at this point, that during the period 1950 through 1961, this activity collected approximately \$8 million, as compared to \$5 million appropriated.

INCREASED REQUIREMENTS

As mentioned before, we are requesting an increase of \$19,000, which is primarily for annualization of new positions allowed in fiscal year 1962 and additional travel funds.

To keep abreast of the increasing workload, particularly in the real property area, additional travel funds will be necessary. Travel for inspection and disposal planning on military installations scheduled for closing will materially increase costs. Another factor requiring additional travel funds is our program to intensify the inspection program for personal property and the training and coordination of the State field representatives who screen the property. This need results from the increased supply of surplus personal property of a technical nature, rather than the common use type.

RESERVE

Mr. FOGARTY. Your appropriation for 1962 is \$862,000 and the request for 1963 is \$870,000.

You are not much more than getting back the reserve from the 1962 appropriation, are you?

Mr. LUND. That is about it.

Mr. FOGARTY. That is another area where we are losing money by putting funds in reserve.

Mr. LUND. That reserve was not as high, but, of course, it has its effect in this operation.

Mr. FOGARTY. This is one area where they are making money for the Government, is it?

Mr. LUND. Well, we think we have done well.

COLLECTIONS

Mr. FOGARTY. Over the years, you have taken in more money than we have appropriated?

Mr. LUND. That is right. Last year I reported to the committee that I was anticipating collections in excess of \$500,000.

Mr. FOGARTY. For 1962?

Mr. LUND. Yes.

Mr. FOGARTY. What are the actual figures?

Mr. LUND. Actually, we have collected already in excess of \$800,000, and if the time schedule works itself out properly, on other collections, we will probably hit roughly a million dollars in collections for this year.

Mr. FOGARTY. So you are going to collect more than we appropriated for 1962?

Mr. LUND. That is correct.

Mr. FOGARTY. This looks like another concrete example of where cutting back on your appropriation hurts the Federal Government.

SURPLUS PROPERTY DISPOSED OF

Now, we will put in the record the tables on pages 127, 128, and 129 showing breakdowns of the surplus property disposed of.

(The tables referred to follow:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Personal property made available to and received by State agencies for surplus property for distribution to public health and educational institutions and civil defense organizations and real property disposed of to public health and educational institutions (acquisition cost), fiscal year 1961

States	Personal property allocated to State agency (1)	Personal property received by State agency for distribution within State (2)	Real property disposed of to institutions in State (3)	Total property transferred, col. (2) plus col. (3) (4)
Total.....	\$376, 183, 035	\$317, 854, 695	\$30, 938, 730	\$348, 793, 425
Alabama.....	13, 466, 597	10, 575, 096	133, 550	10, 708, 646
Alaska.....	1, 444, 701	2, 010, 702	129, 100	2, 139, 802
Arizona.....	2, 741, 389	2, 873, 701	17, 247	2, 890, 948
Arkansas.....	3, 388, 796	2, 621, 846	160, 555	2, 782, 401
California.....	47, 683, 349	41, 557, 315	950, 052	42, 507, 367
Colorado.....	3, 551, 958	3, 170, 432	28, 685	3, 199, 117
Connecticut.....	5, 555, 230	4, 516, 176	-----	4, 516, 176
Delaware.....	1, 166, 010	1, 045, 234	-----	1, 045, 234
Florida.....	16, 248, 627	16, 151, 469	589, 541	16, 741, 010
Georgia.....	8, 596, 012	6, 753, 005	-----	6, 753, 005
Hawaii.....	1, 961, 902	1, 920, 443	-----	1, 920, 443
Idaho.....	1, 728, 512	1, 535, 910	-----	1, 535, 910
Illinois.....	10, 038, 288	9, 161, 370	-----	9, 161, 370
Indiana.....	9, 513, 380	7, 489, 151	41, 195	7, 530, 346
Iowa.....	2, 329, 009	2, 000, 291	-----	2, 000, 291
Kansas.....	4, 041, 026	3, 361, 963	132, 729	3, 494, 692
Kentucky.....	6, 821, 800	5, 839, 138	86, 980	5, 926, 118
Louisiana.....	6, 959, 744	7, 373, 633	267, 262	7, 640, 895
Maine.....	2, 674, 744	2, 590, 414	-----	2, 590, 414
Maryland.....	8, 150, 687	6, 850, 923	65, 310	6, 916, 233
Massachusetts.....	11, 998, 660	8, 288, 148	29, 617	8, 317, 765
Michigan.....	12, 101, 774	8, 939, 946	2, 864, 158	11, 804, 104
Minnesota.....	4, 092, 578	3, 676, 931	53, 000	3, 729, 931
Mississippi.....	8, 464, 131	7, 430, 496	7, 000	7, 437, 496
Missouri.....	4, 784, 952	3, 688, 937	-----	3, 688, 937
Montana.....	1, 057, 029	928, 972	4, 696	933, 668
Nebraska.....	3, 234, 753	2, 826, 198	5, 661	2, 831, 859
Nevada.....	801, 470	758, 870	-----	758, 870
New Hampshire.....	1, 632, 435	1, 272, 805	-----	1, 272, 805
New Jersey.....	9, 900, 611	4, 710, 404	-----	4, 710, 404
New Mexico.....	3, 083, 651	2, 882, 439	547, 100	3, 429, 539
New York.....	19, 787, 909	16, 910, 701	2, 494, 073	19, 404, 774
North Carolina.....	10, 024, 348	9, 638, 833	4, 313, 241	13, 952, 074
North Dakota.....	1, 573, 493	1, 339, 790	69, 223	1, 409, 013
Ohio.....	16, 171, 087	14, 710, 300	115, 644	14, 825, 944
Oklahoma.....	6, 298, 374	5, 105, 183	5, 365, 318	10, 470, 506
Oregon.....	5, 216, 981	4, 516, 440	79, 350	4, 595, 790
Pennsylvania.....	17, 133, 125	12, 407, 011	532, 315	12, 939, 326
Rhode Island.....	2, 071, 568	1, 429, 906	188, 800	1, 618, 706
South Carolina.....	5, 029, 226	4, 284, 525	68, 434	4, 352, 959
South Dakota.....	1, 313, 674	1, 083, 881	261, 662	1, 345, 543
Tennessee.....	8, 709, 756	6, 417, 417	31, 287	6, 448, 704
Texas.....	17, 800, 856	16, 522, 363	1, 818, 256	18, 340, 619
Utah.....	3, 896, 765	4, 033, 014	108, 713	4, 141, 727
Vermont.....	1, 434, 003	1, 036, 406	-----	1, 036, 406
Virginia.....	14, 464, 867	12, 173, 088	7, 228, 700	19, 401, 788
Washington.....	6, 701, 290	6, 312, 028	2, 075, 441	8, 387, 469
West Virginia.....	3, 556, 557	3, 199, 897	-----	3, 199, 897
Wisconsin.....	11, 251, 400	7, 714, 521	-----	7, 714, 521
Wyoming.....	1, 128, 586	1, 000, 561	27, 233	1, 027, 794
District of Columbia.....	1, 296, 584	1, 102, 782	-----	1, 102, 784
Guam.....	-----	-----	6, 000	6, 000
Puerto Rico.....	2, 107, 941	2, 107, 445	41, 600	2, 149, 045
Virgin Islands.....	840	6, 240	-----	6, 240

Personal property made available for distribution to public health and educational institutions and civil defense organizations and real property disposed of to public health and educational institutions (acquisition cost)

Fiscal year	Personal property	Real property	Total
1961-----	\$376, 183, 035	\$30, 938, 730	\$407, 121, 765
1960-----	400, 660, 692	23, 355, 370	424, 016, 062
1959-----	363, 329, 562	21, 179, 482	384, 509, 044
1958-----	302, 458, 448	9, 411, 786	311, 870, 234
1957-----	234, 862, 274	7, 303, 250	242, 165, 524
1956-----	204, 497, 417	14, 375, 151	218, 872, 568
1955-----	132, 174, 248	16, 088, 495	148, 262, 743
1954-----	107, 042, 941	10, 750, 698	117, 793, 639

Mr FOGARTY. Do you foresee any change of significance in the volume to be handled next year?

Mr. LUND. Significantly, no. We are never certain; we do not get all the information. But I think there is a potential of a little less personal property probably becoming available because of the types and kinds that are now being generated. But I would not think it would be substantial.

On the other hand, we are anticipating an increase on the real property side, where DOD is making considerable change, and getting rid of certain types of real property. So that probably on the overall we will hold close to what we had this year. When you get into the real property side and the allocation of some of this technical equipment, this takes more work than it did before. We are trying to work into the scientific and mathematical field so that our workload will increase rather than decrease, even if there is a small reduction of volume available.

But our best estimate will be that it will hold close to what we have now.

Mr. FOGARTY. Do you have any particular problems?

Mr. LUND. As it relates to surplus property? No, I think that our problem is getting all this property screened and making it available. There is a potential that DOD may wish to hold out certain classifications of property for sale, which we are in the process of discussing currently with GSA, and we do not know the outcome of that.

Mr. FOGARTY. Mr. Laird?

REQUIREMENTS FOR DONATING TO RESEARCH FOUNDATIONS

Mr. LAIRD. Mr. Lund, I have a question that has to do with the problem that has come up in Wisconsin. What is the law as far as giving to medical research foundations is concerned?

Mr. LUND. Surplus property?

Mr. LAIRD. Yes.

Mr. LUND. Well, if they are tax exempt, nonprofit, they are entitled to it under most conditions.

Mr. LAIRD. I have the Marshfield Clinic Foundation which is interested in some surplus property. They are operating as a nonprofit foundation and they made a request for certain property through the State. They were informed that under the Federal law they would

not qualify. Under the Internal Revenue Act, they qualify, and grants are made to them by the National Institutes of Health. I reviewed the law and I could not find any reason why they would not qualify.

Mr. GRAY. Do they operate a clinic?

Mr. LAIRD. Yes.

Mr. GRAY. We have to make a distinction between real and personal property. To be eligible for personal property it must be a hospital, a clinic, a medical institution, or a health center.

Mr. LAIRD. The clinic is operated by the Marshfield Clinic Corp. Their buildings and facilities are separate. The clinic does make contributions to the foundation but they could not be a tax-exempt organization if they had the clinic operation in with the foundation. It is set up similar to the Cleveland Clinic and Mayo's and other medical research centers. I am sure that they could not include the clinic operations with the foundation.

Mr. GRAY. The point I wanted to make was, the law says these four institutions are eligible, including the research. Now, a foundation that is not one of these four named institutes would not be eligible for personal property. If it is a clinic or a hospital or a medical institution, or a health center, that is doing research, they are entitled, their entire operation is eligible. If it is strictly a research foundation—

Mr. LAIRD. Marshfield Clinic Research Foundation, and you understand why they have to be set up separately.

Mr. GRAY. Yes.

Mr. LAIRD. I really think it has been misinterpreted by your Department. Perhaps it was just an opinion from the State, but I really feel that they would be eligible under this statute.

Mr. LUND. Do you know whether the Marshall Field clinic as such has submitted their articles of incorporation.

Mr. LAIRD. It has been turned down at the State level. You will get a letter from me about this today. I would like you to check it out. This idea of transferring the medical research over to the clinic would disqualify them, as I understand it, for National Institutes of Health grants. The National Institutes of Health cannot make grants to profitmaking organizations. In order to carry on this medical research work under NIH the foundation had to be incorporated separately.

I believe that the property should be in the hands of the foundation rather than in the hands of the clinic; I am in agreement with you on that.

Mr. GRAY. Yes, we could not serve a profitmaking clinic.

Mr. LAIRD. They have separate buildings. The doctors from the clinic do the research work. The Mayo Foundation operates the same way. I understand some of these organizations have received surplus property.

Mr. LUND. We will check it out and advise you just as soon as we get some information on it.

Mr. GRAY. This is one that is on the borderline.

Mr. FOGARTY. Is there anything else that you want to say?

Mr. LUND. No.

Mr. FOGARTY. No other problems?

Mr. LUND. Well, we have problems, but we are hoping to work them out.

Mr. FOGARTY. All right. Thank you very much.

OFFICE OF GENERAL COUNSEL

WEDNESDAY, FEBRUARY 28, 1962.

WITNESSES

ALANSON W. WILLCOX, GENERAL COUNSEL

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....	\$1,156	\$1,257	\$1,398
Other personnel compensation.....	4		
Total personnel compensation.....	1,160	1,257	1,398
12 Personnel benefits.....	83	91	99
21 Travel and transportation of persons.....	9	13	25
23 Rent, communications, and utilities.....	8	8	25
24 Printing and reproduction.....	2	1	1
25 Other services.....	5	5	5
26 Supplies and material.....	12	9	10
31 Equipment.....	17	15	18
Total obligations.....	1,296	1,398	1,581

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....	150	173	199
Average number of all employees.....	146	162	181
Number of employees at end of year.....	145	168	194
Average GS grade.....	10.1	10.1	9.8
Average GS salary.....	\$8,034	\$8,076	\$7,830

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Supervisory and general legal services.....	288	289	339
2. Departmental program activities:			
(a) Public health.....	107	101	134
(b) Food and drug.....	174	201	229
(c) Old-age and survivors insurance.....	222	239	279
(d) Welfare and education.....	125	135	145
3. Regional and field.....	386	413	455
Total program costs.....	1,302	1,398	1,581
Change in selected resources ¹	-6		
Total obligations.....	1,296	1,398	1,581
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts):			
Federal old-age and survivors insurance trust fund.....	-617	-667	-696
Other accounts.....	-29	-29	-29
Unobligated balance lapsing.....		11	
New obligational authority (appropriation).....	650	713	856

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1960, \$9,000; 1961, \$3,000; 1962, \$3,000; 1963, \$3,000.

GENERAL STATEMENT

Mr. FOGARTY. Do you have a statement, Mr. Willcox?

Mr. WILLCOX. Yes, I have, Mr. Chairman.

Mr. FOGARTY. We will insert your complete statement at this point.
(The statement follows:)

SALARIES AND EXPENSES

Mr. Chairman and members of the committee, the Office of the General Counsel is responsible for the legal work of the Department. The work of the office includes (1) legal advice to the Secretary, the Surgeon General of the Public Health Service, the Commissioners of Social Security, Education, and Food and Drugs, the Director of the Office of Vocational Rehabilitation, and their staffs; (2) legislation (reports to Congress and legislative drafting); and (3) litigation arising from program activities.

The growth in recent years of the programs administered by the Department has increased correspondingly the responsibilities of the Office of the General Counsel, but there has not been a corresponding increase in attorney positions in the Office. The result has been, on an officewide basis, an inability by the Office to render legal services adequate to the proper administration of departmental programs. Staff increases are requested to enable the Office of the General Counsel to provide to the Department what is considered to be a responsible minimum of legal services.

BUDGET REQUEST FOR 1963

The 1963 budget estimate requests a total of \$1,581,000, which provides an increase of \$183,000 over 1962 obligational authority covering 14 attorney and 12 secretarial positions distributed as follows: One attorney and one secretary for the Legislation Division, two attorneys and one secretary for the Business and Administrative Law Division, three attorneys and two secretaries for the Public Health Division, three attorneys and two secretaries for the Food and Drug Division, two attorneys and one secretary for the OASI Division, one attorney and one secretary for the Welfare and Education Division, and two attorneys and four secretaries for the regional offices.

A. Legislation Division

The workload of this Division has steadily increased during the last four Congresses at the rate of approximately 10 percent per Congress. As of February 15,

1962, 947 requests for reports have been received during the 87th Congress (as compared with 1,359 requests during the entire 86th Congress). As of the same date, only 286 reports (covering 415 of these requests) have been finally completed. Twenty-five departmental draft bills have been prepared thus far and lack of personnel has prevented drafting work on several proposals. Overtime, weekend, and holiday work on the part of the professional staff have been extensive.

An increase of one attorney and one secretary is requested.

B. Business and Administrative Law Division

This Division performs all legal services in connection with the management and operation of the Department. It provides legal services in such areas as contract negotiation and preparation, fiscal matters, patents, travel, pay and allowances, procurement, property management, personnel management and administration, tort claims, departmental security matters and other departmental management activities. Its workload has increased steadily as the activities and programs of the Department have increased during the past several years, particularly in the area of research and development contracting and procurement activities. Serious backlogs have developed. Except for the addition of one attorney in fiscal year 1961 to discharge the patent officer position then newly established in the Division, there has been no additional staff in the Division since 1951.

An increase of two attorneys and one secretary is requested.

C. Public Health Division

The Public Health Division provides all legal services to the research, medical care, grant, community health, environmental health, Indian health, biologics control, quarantine and other programs of the Public Health Service, and St. Elizabeths Hospital. The Public Health Service has more than tripled in size since 1955; in the same period the number of attorney positions has remained essentially the same (eight to nine). Significant program increases, not matched by any increase in legal staff, have been: the Indian health program (more than doubling the medical care responsibility of PHS); the program for providing sanitary facilities to Indian communities; grants for municipal sewage treatment works; initiation in 1956, and great expansion in 1961, of Federal enforcement proceedings to abate water pollution; the Dependents Medical Care Act of 1956; administrative extension of the licensing of biologics; the Air Pollution Research and Technical Assistance Act; addition in fiscal year 1962 of new programs to support nonhospital community services, particularly for the aged and chronically ill. Some of these programs (e.g., water pollution control, Indian health, biologics control) have more than ordinary legal emphasis.

An increase of three attorneys and two secretaries is requested.

D. Food and Drug Division

This Division provides legal services in the enforcement of the Federal Food, Drug, and Cosmetics Act and five related laws. This work includes preparation of litigation in Federal courts, and development of increasingly complex regulations. The workload has increased particularly since enactment of the food additives amendment of 1958, the color additive amendments of 1960, and the Federal Hazardous Substances Labeling Act of 1960. The Division has not been strengthened since 1959. Since that time, the Food and Drug Administration regular appropriation has more than doubled in size. Increased legal staff is necessary if the expanded staff and facilities of the Food and Drug Administration are to be fully effective in terms of enforcement and regulatory action.

An increase of three attorneys (trial attorneys) and two secretaries is requested.

E. Old-Age and Survivors Insurance Division

Legal services in connection with old-age, survivors and disability insurance include interpretation of Federal law, review of important letters, communications, and administrative instructions prepared in the administrative offices, liaison with other Federal agencies—and most onerously, the preparation of pleadings and briefs in both civil and criminal cases arising out of the OASDI program. Recent amendments to the Social Security Act present a constant flow of new problems: the number of claims filed with the Bureau each year continues to increase. There has been a corresponding increase in litigated cases. In fiscal year 1960, 289 litigated cases were closed by decision, stipulation, dis-

continuance, or administrative allowance on remand. The equivalent figure for fiscal year 1961 was 406 cases closed. It is estimated that 450 cases will be closed in fiscal year 1962. As of December 31, 1961, there were 850 pending cases, as compared to 679 cases on December 31, 1960. Additional attorney positions are needed to handle the continuous increasing workload in the Division.

An increase of two attorneys and one secretary is requested.

F. Welfare and Education Division

This Division provides services to the Office of Education, the Social Security Administration in three of its four Bureaus (Bureau of Family Services, Children's Bureau, and Bureau of Federal Credit Unions), and the Office of Vocational Rehabilitation. Services are also provided to the Secretary's Special Staff on Aging and to the extent of the Department's concern, Howard University, Gallaudet College, and the American Printing House for the Blind. In recent years, the growth of existing programs and the addition of new programs have required more and more legal service. This need is particularly significant with respect to the Office of Vocational Rehabilitation. Since 1954 vocational rehabilitation programs have greatly expanded. There are a total of 90 State plans in operation. Legal work is required in connection with amendments to State laws, amendments to plans, revisions of regulations and operating policies and procedures, questions concerning permissibility of specific expenditures, disposition of questions raised as a result of audits, and problems connected with project grant programs. At present, all legal services for the Office of Vocational Rehabilitation are provided by the Assistant Chief of the Division, as his time permits. If proper legal guidance is to be given to the growing vocational rehabilitation programs, it is essential that a full-time attorney be made available.

An increase of one attorney and one secretary is requested.

G. Regional and field

Legal services furnished by regional attorneys correspond in kind to those rendered by the departmental legal staff. All programs serviced by the departmental staff are serviced in the field, except the Food and Drug Administration. The greater portion of the workload in each region derives from the OASDI program, which accounts for approximately two-thirds of the total. The recent growth in departmental programs, especially in OASDI litigation, has been reflected in a corresponding increase in the workload of the regional attorneys' offices. These offices share with the OASI Division the function of preparation of materials for briefs in litigated cases arising out of the OASDI program. As this litigation load increases the regional attorneys' offices are called upon to carry a significant portion of the increase.

An increase of two attorneys and four secretaries is requested. The two attorney positions would be in Kansas City and Boston. The result of the requested increases would be that all regional attorneys' offices would have four attorneys and three secretaries (with the exception of Denver, which has three attorneys and two secretaries).

Mr. WILLCOX. Mr. Chairman, the Office of the General Counsel is responsible for all legal work of the Department.

REQUESTED PERSONNEL INCREASES

The 1963 budget estimate requests a total of \$1,581,000 which will provide for an increase of \$183,000 over the 1962 obligational authority, covering 14 new attorney positions and 12 new secretarial positions. These staff increases will enable the Office of the General Counsel to provide what is considered to be a responsible minimum of legal services for departmental programs, which have grown extensively in number and size in recent years.

One attorney and one secretary are requested for the Legislation Division, where the workload has steadily increased during the last four Congresses at the rate of approximately 10 percent per Congress. As of February 15, 1962, 947 requests for reports have been received

during the 87th Congress (as compared with 1,359 requests during the entire 86th Congress). As of the same date, only 286 reports (covering 415 of these requests) have been finally completed. Two attorneys and one secretary are requested for the Business and Administrative Law Division, whose workload has increased steadily as the activities and programs of the Department have increased, particularly in the areas of research and development contracting and procurement activities. Three attorneys and two secretaries are requested for the Public Health Division, to enable us to provide legal services in expanded program areas, particularly with respect to the expansion, in 1961, of Federal enforcement proceedings to abate water pollution. Three attorneys and two secretaries are requested for the Food and Drug Division; these positions are needed for effective enforcement of recently enacted amendments to the Federal Food, Drug, and Cosmetic Act and of the Federal Hazardous Substances Labeling Act of 1960, and to keep pace with the stepped up activity of the Food and Drug Administration. Two attorneys and one secretary are requested for the OASI Division, to handle legal work arising from recent amendments to the Social Security Act, and particularly from the huge litigation caseload under the act.

One attorney and one secretary are requested for the Welfare and Education Division to provide the full-time services of one attorney for the Office of Vocational Rehabilitation. At present, all legal services for this expanding program are provided by the Assistant Chief of the Division, as his time permits. Two attorneys and four secretaries are requested for the regional offices to balance the staffing in regional attorneys' offices so as to enable the regional offices effectively to perform their functions, particularly with respect to the rising OASDI litigation workload.

SUMMARY OF BUDGET

Mr. FOGARTY. The funds available for 1962 total \$1,409,000 and the request for 1963 is \$1,581,000, an increase of \$172,000 and 25 positions.

Here again we have pretty much of an across-the-board increase. You have your appropriation broken down into six activities and are requesting an increase for every one of them. Is that right?

Mr. WILLCOX. That is right.

Mr. FOGARTY. Are you really in that bad shape?

Mr. WILLCOX. Yes, sir; we are short all across the board.

RESERVE

Mr. FOGARTY. If you are in that bad shape, how could you take a cut in 1962? I notice the Secretary and the Bureau of the Budget cut you back to less than Congress appropriated.

Mr. WILLCOX. We were cut \$11,000. We had no control over that.

Mr. FOGARTY. I know, but it affects your program.

Mr. WILLCOX. Yes; it did.

Mr. FOGARTY. Now, this is the position I am in. If someone should say, "We allowed them \$1,409,000 for 1962 and they were able to cut it back to \$1,398,000 and get along with it, and we have not passed any legislation adding to their workload since the Secretary made this

cut, why should we give them a big across-the-board increase for next year?"

What logical counterargument can be made to that?

Mr. WILLCOX. Mr. Chairman, the workload in our office is a function of the output of the administrative agency. That is going up constantly. The increases, even with these reductions, the increases in the staffing of the Food and Drug Administration produce a larger volume, both of litigated work and of regulatory work. We are reaching a point where I am very much afraid that our Division is going to be a bottleneck in the expansion of that work.

Mr. FOGARTY. I can see your point and I know the growth of the Food and Drug Administration and of the problems you are going to be confronted with. Now, give us a couple of others.

Mr. WILLCOX. In public health, for example. The Congress appropriated, I think, \$1 million for additional work on water pollution enforcement alone. We are asking for two positions.

Mr. FOGARTY. That is going to grow?

Mr. WILLCOX. Yes. There is legal work inherent in that.

Mr. FOGARTY. All right.

Mr. WILLCOX. The contract work of the NIH ought to have more legal help than it has.

Mr. FOGARTY. You mean research contract work?

Mr. WILLCOX. Yes.

Mr. FOGARTY. They need some patent lawyers, too?

Mr. WILLCOX. I think they do; yes.

Mr. FOGARTY. Or the Surgeon General needs them.

Mr. WILLCOX. The patent law field is getting to be a pretty big concern. In OASI the litigation load keeps going up. Again, our appropriation is a fraction of the administrative appropriation. But as the administrative operation grows, there is a larger load on our office.

Mr. FOGARTY. I think that is a good answer for me.

EXPLANATION OF INCREASES

We will put the summary of your increase that appears on pages 134 through 137 in the record at this point.

(The pages referred to follow:)

SALARIES AND EXPENSES, OFFICE OF THE GENERAL COUNSEL

Summary of changes

1962	
Enacted appropriation-----	\$713, 000
Advance from "Federal old-age and survivors insurance trust fund"-----	667, 000
Transfer from "Salaries and expenses," certification, inspection, and other services, Food and Drug Administration-----	29, 000
Administrative reserve-----	—11, 000
	\$1, 398, 000
1963	
Appropriation estimate-----	856, 000
Advance from "Federal old-age and survivors insurance trust fund"-----	696, 000

Transfer from "Salaries and expenses," certification, inspection, and other services, Food and Drug Administration-----	\$29, 000	\$1, 581, 000
Total change-----		183, 000
Increases:		
A. Built-in:		
1. Annualization of 14 positions authorized in 1962 for 75 percent of year-----	\$22, 546	
B. Program increases:		
1. Supervisory and general legal services:		
Personnel compensation (5 positions—3 attorneys, 2 secretaries)-----	24, 101	
Other related costs-----	1, 565	
Space requirements for 17 positions requested in 1963-----	15, 000	
Miscellaneous expenses for 26 positions requested in 1963-----	11, 500	52, 196
2. Public health:		
Personnel compensation (5 positions—3 attorneys, 2 secretaries)-----	23, 590	
Other related costs-----	1, 533	
Travel-----	6, 000	31, 123
3. Food and Drug:		
Personnel compensation (5 positions—3 attorneys, 2 secretaries)-----	26, 917	
Other related costs-----	1, 750	28, 667
4. Old-age and survivors insurance:		
Personnel compensation (3 positions—2 attorneys, 1 secretary)-----	13, 770	
Other related costs-----	895	
Travel-----	3, 000	17, 665
5. Welfare and Education:		
Personnel compensation (2 positions—1 attorney, 1 secretary)-----	8, 935	
Other related costs-----	580	9, 515
6. Regional and Field:		
Personnel compensation (6 positions—2 attorneys, 4 secretaries)-----	22, 712	
Other related costs-----	1, 476	
Travel-----	2, 000	26, 188
Sub-total, program increases-----		165, 354
Gross increases-----		187, 900
Decreases:		
A. Nonrecurring equipment related to new staff in 1962----		—4, 900
Total net change requested-----		183, 000

EXPLANATION OF CHANGES

1. Supervisory and general legal services

One attorney (GS-13) and one secretary (GS-5) are requested for the legislation division to meet the steadily increasing workload of that division which has expanded at the rate of 10 percent per Congress and that has characterized the last several Congresses.

Two attorneys (GS-11 and GS-9) and one secretary (GS-4) are requested for the Business and Administrative Law Division to meet the burgeoning need for legal services that has increased proportionately with the great expansion of the Department's programs, particularly in connection with research and development contracting and procurement activities: \$15,000 is for space requirements for 17 new positions requested in all activities to be located in Washington, D.C.; \$11,500 is for miscellaneous expenses, such as equipment, supplies and materials, etc., for the 26 new positions requested in 1963.

2. Public health

Three attorneys (GS-12, GS-11, GS-9) and two secretaries (GS-5) are requested to provide legal services in the expanding programs of the public health services particularly in the environmental health areas.

3. Food and drug

Three attorneys (GS-13, GS-12, GS-11) and two secretaries (GS-5) are requested to provide the necessary legal services for the expanded enforcement activities of the Food and Drug Administration, which has grown $2\frac{1}{2}$ times its size since 1959.

4. OASI

Two attorneys (GS-11, GS-9) and one secretary (GS-5) are requested to meet the increasing workload of the OASI program especially in the area of litigation.

5. Welfare and education

One attorney (GS-11) and one secretary (GS-5) are requested so that the service of a full-time attorney will be available for the growing vocational rehabilitation program.

6. Regional and field

Two attorneys (GS-9) and four secretaries (GS-5) are requested in 1963. The attorneys are to be placed in Boston and Kansas City regions and the secretaries in Boston, Kansas City, Charlottesville, and Atlanta regions. The requested increase is essential if efforts to stay current with the continually increasing caseload, particularly that related to OASI litigation, are to be effective.

Mr. FOGARTY. Is there anything else you would like to say now?

Mr. WILLCOX. No. I do not think so.

Mr. FOGARTY. All right.

Thank you very much.

WEDNESDAY, FEBRUARY 28, 1962.

JUVENILE DELINQUENCY AND YOUTH OFFENSES

WITNESSES

DR. LLOYD E. OHLIN, SPECIAL ASSISTANT FOR JUVENILE DELINQUENCY

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
11 Personnel compensation:			
Permanent positions.....		50	80
Positions other than permanent.....		33	51
Total personnel compensation.....		83	131
12 Personnel benefits.....		4	6
21 Travel and transportation of persons.....		89	166
23 Rent, communications, and utilities.....		3	4
24 Printing and reproduction.....		10	20
25 Other services.....		2	2
Services of other agencies.....		275	479
26 Supplies and materials.....		1	1
31 Equipment.....		5	1
41 Grants, subsidies, and contributions.....		5,974	7,690
Total obligations.....		6,446	8,500

Personnel summary

	1961 actual	1962 estimate	1963 estimate
Total number of permanent positions.....		9	10
Full-time equivalent of other positions.....		4	6
Average number of all employees.....		10	15
Number of employees at end of year.....		12	14
Average GS grade.....		9.8	10.0
Average GS salary.....		\$3,360	\$8,420

Program and financing

[In thousands of dollars]

	1961 actual	1962 estimate	1963 estimate
Program by activities:			
1. Grants and contracts for demonstration and evaluation projects.....		\$1,250	\$3,500
2. Grants and contracts for training personnel.....		1,368	2,280
3. Technical assistance services and administration.....		470	784
Total program costs.....		3,088	6,564
Changes in selected resources ¹		3,358	1,936
Total obligations.....		6,446	8,500
Financing:			
Unobligated balance lapsing.....		1,754	-----
New obligational authority (appropriation).....		8,200	8,500

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961 \$0; 1962, \$3,358,000, 1963 \$5,294,000.

BACKGROUND OF DR. OHLIN

Mr. FOGARTY. This is the first time you have been before the committee, Doctor, so for the benefit of the committee, will you give us your background.

Dr. OHLIN. My name is Lloyd E. Ohlin. I am now a Special Assistant for Juvenile Delinquency to the Secretary of Health, Education, and Welfare.

I have had this position since June 1, 1961. I am on leave of absence as professor of sociology at the New York School of Social Work at Columbia University, and I have worked there since 1956. My work there has been primarily in the area of delinquency, crime, and correction.

Prior to that I worked for 3 years at the University of Chicago where I directed a center for research of correctional problems, and prior to that I spent 6 years with the Illinois prison and parole system at Joliet Penitentiary, and with the parole board in their Chicago office.

My experience has involved work in the field, with the field problems, and also experience in doing research on institutional problems for the care and management of delinquents and adult offenders. I am now on leave of absence from Columbia University to help to develop the Federal program on delinquency.

Mr. FOGARTY. All right. Go right ahead.

GENERAL STATEMENT

Dr. OHLIN. I have a longer statement which I would like to submit for the record.

Mr. FOGARTY. We will put that in the record, and you may summarize it.

(The prepared statement of Dr. Ohlin follows:)

JUVENILE DELINQUENCY AND YOUTH OFFENSES

Mr. Chairman and members of the committee, several months ago the Congress enacted Public Law 87-274 which provided the Department with the financial means to find, through demonstration projects and training, ways to prevent and control the growing juvenile delinquency problem which is plaguing major sections of this country. Since that time we have been engaged in developing working relationships among the several agencies of this and other departments whose cooperation and coordination are necessary to effectively carry out the provisions of the act.

This has called for close coordination and a team approach. With the staff provided we are endeavoring to give the necessary consultation to the various communities and training centers that will be engaged in this work. Our activities have stimulated a good deal of social planning in many communities and we can clearly anticipate certain additional requirements during the coming year.

In our contacts with communities who are preparing or have submitted applications for demonstration project grants, it early became evident that very few of these communities were actually prepared to utilize substantial sums of money in communitywide demonstration projects for the control and prevention of juvenile delinquency. As a result, the majority of our grants this year will, of necessity, be planning grants to enable communities to organize themselves and their resources for a concerted attack on the problems that face them in controlling and preventing juvenile delinquency. Thus, we expect in 1963 a number of well-organized, well-planned applications for larger grants to put programs into operation.

SUMMARY OF ESTIMATE

Based on this experience we are presenting a budget for 1963 totaling \$8,500,000 which reflects the need for additional personnel as well as increased grant allowances as communities become organized to mount demonstration projects for the control and prevention of juvenile delinquency. This is an increase of \$2,054,000 over 1962 obligational authority and is requested for the following purposes:

1. Demonstration projects-----	\$1, 250, 000
2. Training programs-----	466, 000
3. Technical assistance services and administration-----	338, 000
Total-----	2, 054, 000

GRANTS FOR DEMONSTRATION PROJECTS FOR THE PREVENTION AND CONTROL OF JUVENILE DELINQUENCY

Our first experience this year with demonstration projects for the prevention and control of juvenile delinquency has revealed a large number of fragmented projects existing around the country. Many of these in and of themselves have considerable value. However, it is very rare that we find a project that really addresses itself to the total environment of youth in their community and to the various obstacles that are in the way of many of our youth, preventing them from achieving productive adulthood. In order to develop such projects most communities have needed time and expert consultation to involve the necessary organizations and people, to clarify and identify the major facts which influence the problems of youth. As these communities develop comprehensive plans to attack juvenile delinquency we can confidently support additional community projects. In many of our cities, large and small, there exist concentrations of economically, culturally, and educationally deprived children and youth. The legitimate career opportunities for them are extremely limited, and for the most part rather unrewarding. In contrast, the illegal or criminal career opportunities look much more attractive.

The goal of a comprehensive plan is to develop far broader and more attractive legitimate career opportunities for these deprived children and youth. As has been stated, few large projects can be undertaken in 1962, but a major effort has been made in helping local communities plan for such projects. We hope to undertake, in the near future, at least one comprehensive project which will be located in New York City. In addition, we expect to give planning grants to 15 to 20 cities in fiscal 1962. This planning should result in a large number of projects in 1963 which necessitates the increased request of \$1,250,000.

GRANTS AND CONTRACTS FOR TRAINING PERSONNEL

One of the most serious problems that confronts the development of adequate programs in the prevention and control of juvenile delinquency is the lack of well trained personnel to accomplish the variety of tasks required by a comprehensive program. Teachers, probation and parole officers, police, vocational counsellors, community developers, social workers, and psychologists—all of these people who deal with the segments of our society most vulnerable to juvenile delinquency, need additional training to better understand the people and the problems that face them.

For this purpose, we have supported the development of training centers, based at universities, that can utilize all of the talents and disciplines in a university, to provide the necessary body of knowledge and skills to train personnel. Thus, we have promoted the utilization of such diverse disciplines as psychology and psychiatry, sociology and social work, government and law, and a host of others. In addition, through these grants we have encouraged and plan to support a variety of inservice and other short-term training experiences. In order to develop such a coordinated approach to training, a university must plan very carefully. Several of these plans are reaching the operational stages and will be ready to start on a full scale training program this year. The additional funds requested of \$466,000 will accelerate this program and will enable the centers to offer rich and varied programs to several thousand more trainees.

The influence of this program will extend beyond the persons trained. It can be expected that new information and ideas developed in these training courses will be incorporated in the various curriculums of the university by the faculty

members participating in the program of the training. Thus, in the usual educational programs, far greater insights into the problems of youth will be achieved.

TECHNICAL ASSISTANCE SERVICES AND ADMINISTRATION

The Special Assistant for Juvenile Delinquency has been designated by the Secretary to administer the provisions of Public Law 87-274 and to coordinate the resources of the Department. The operation of the Office of the Special Assistant also involves considerable activity related to the granting procedures. Large numbers of inquiries and applications are received. These have to be processed, recorded, and distributed to the personnel who must review them. In addition, the technical review panels which have been established to review the project applications, must receive copies of these applications with appropriate staff comments before they are assembled to discuss and recommend to the Secretary. For these reasons, we are requesting the addition of one administrative assistant who will undertake these duties. This person will be located in the Office of the Special Assistant.

During the first 6 months of experience we have given consultation to both communities and to universities who are preparing for demonstration projects and training programs. Attention has also been given to developing comprehensive programs which require considerable coordination among the various agencies, organizations, and people in the local communities. As more communities and universities have come closer to the development of comprehensive plans that will be acceptable, and as they have comprehended the prerequisites for plans that would give good promise of a productive program, additional consultation has become necessary.

In cooperation with the Children's Bureau, we have established a Youth Development Unit which devotes itself to the community organization and training activities envisioned under this legislation and which relates primarily to the functions of the Children's Bureau. In addition, we have developed a similar unit within the Office of Education which will give primary attention to the educational aspects of this law. Secondly, through the mechanism of the President's Committee on Juvenile Delinquency and Youth Crime, we established two positions each in the Department of Labor and the Department of Justice to give special attention to the requirements of this bill as they relate to these two departments. In 1963 as the program expands, we have need for additional staff in these offices and we are therefore requesting that an additional community program specialist and clerk for a total of two positions be added to the Youth Development Unit of the Children's Bureau.

We have seen also the need for one additional staff assistant and clerk in the Youth Development Unit of the Office of Education, as schools are participating more and more in the development of comprehensive plans to demonstrate the effectiveness of various programs for the control and prevention of juvenile delinquency. We have found that communities need considerable help in ascertaining which organizations, agencies, and people are necessary for the development of effective demonstration projects and in organizing such projects. It has also become clear that they will need continuing help during the functioning of these projects and for their evaluation. Therefore, the assistance of the above named specialists will be necessary.

The development of employment opportunities for all youth, particularly for youths with culturally and economically deprived backgrounds, is an extremely important adjunct of the total plan for the prevention and control of juvenile delinquency. Another extremely important aspect is the provision of adequate corrective services for the youth in whom we are most interested. As this program gains momentum, we are asking for one additional youth specialist in each of the Departments of Labor and Justice to augment the staff of two now provided each department.

The development of community programs to prevent and control juvenile delinquency must be undertaken at the local level. During this next year we hope to be able to continue to provide the necessary stimulation, expert consultation and evaluation, and the dissemination of information that will provide local communities with the assistance needed to deal with the problems of youth and thus prevent and control the spread of juvenile delinquency.

I shall be pleased to answer any questions you may have.

DEVELOPMENT OF PROGRAM

Dr. OHLIN. Mr. Chairman and members of the committee, several months ago the Congress enacted Public Law 87-274 which provided the Department with the financial means to find, through demonstration projects and training, ways to prevent and control the growing juvenile delinquency problem which is plaguing major sections of this country.

Since that time we have been engaged in developing working relationships among the several agencies of this and other departments whose cooperation and coordination are necessary to effectively carry out the provisions of the act. Our major efforts to date, however, have been related to giving necessary consultation to the various communities and training centers that will be engaged in this work. In our contacts with communities who are preparing or have submitted applications for demonstration project grants it early became evident that very few were actually prepared to utilize substantial sums of money in community-wide demonstration projects. As a result, while some comprehensive programs will be undertaken, notably in New York, the majority of the grants this year will be planning grants to enable communities to organize themselves and their resources for a concerted attack on this problem.

BUDGET

Thus, our estimate of \$8.5 million for 1963, which is an increase of \$2,054,000 over our 1962 planned obligations, will enable us to put into operation in 1963 a substantially increased number of well organized, well planned comprehensive projects.

TRAINING

This year we are also supporting the development of training centers based at universities so that persons working with the segment of our society most vulnerable to juvenile delinquency may be adequately prepared. These will include teachers, probation officers, police, vocational counselors, social workers, and the like. The increase for 1963 will accelerate this training program to cover several thousand more trainees.

I think the program has been very favorably received. We have developed a policy statement that we have distributed to different communities.

Mr. FOGARTY. Will you include that in the record?

Dr. OHLIN. Yes; we will submit that statement for the record.

(The data referred to follows:)

THE FEDERAL DELINQUENCY PROGRAM OBJECTIVES AND OPERATIONS UNDER THE PRESIDENT'S COMMITTEE ON JUVENILE DELINQUENCY AND YOUTH CRIME, AND THE JUVENILE DELINQUENCY AND YOUTH OFFENSES CONTROL ACT OF 1961 (PUBLIC LAW 87-274)

(Department of Justice, Department of Health, Education, and Welfare, Department of Labor, Washington, D.C.)

PREFACE

Since the establishment of the President's Committee on Juvenile Delinquency and Youth Crime in May 1961 and the enactment of Public Law 87-274 4 months later, great interest has been shown in the Federal delinquency program and its administration. This pamphlet will attempt to answer some of the questions being asked by National, State, and local groups.

I. OBJECTIVES OF THE FEDERAL PROGRAM

The urgent need for a Federal program to control and prevent juvenile delinquency was publicly recognized on May 11, 1961, when President John F. Kennedy established the President's Committee on Juvenile Delinquency and Youth Crime¹ and named the Attorney General as Chairman and the Secretary of Labor and the Secretary of Health, Education, and Welfare as the other two members. It was thereby recognized that no single individual or agency could carry out the complex and vast job that lies ahead, but that any effective program needs a coordinated attack. Therefore, the President asked the Attorney General and the two Secretaries to coordinate and develop existing programs and to recommend new programs in the field of youth and youth problems.

The President's Committee will stimulate experimentation, innovation and development of Federal youth programs, and also recommend ways in which the prevention, treatment and control of juvenile delinquency and youth crime can be made more effective. To assist in this task the Committee has the services of a Citizens Advisory Council composed of 21 knowledgeable members representing both public and voluntary organizations.

The same day that the President established the President's Committee he sent to Congress legislation that would allow the Federal Government to (1) undertake demonstration projects in the field of youth services, (2) train personnel to work with young people in trouble, and (3) evaluate and disseminate the most effective ways of using total resources to combat juvenile delinquency in local communities. In transmitting his message, he stated "Juvenile delinquency and youth offenses diminish the strength and vitality of our Nation; they present serious problems to all the communities affected; and they leave indelible impressions upon people involved which often cause continuing problems."

The administration bill was passed with modification,² and signed by the President on September 22, 1961.³ With the passage of this legislation, Federal assistance is provided for projects that will demonstrate or develop techniques which it is hoped will point the way to a solution of the Nation's juvenile delinquency problems.

Through the authorization of \$10 million for each of 3 fiscal years ending June 30, 1964,⁴ Congress has now made it possible for the Federal Government to become a partner with the States and local communities in finding solutions to the spread of delinquency.

The causes of juvenile delinquency are more complex than any individual can handle. Factors far beyond the individual's control have contributed to an environment that disrupts any semblance of orderly family life. These families need and deserve help. There is a public responsibility to provide this assistance to salvage a human being, and to protect society as a whole. Many communities throughout the country are demonstrating that progress can be made. New ideas are being tried, and others are being developed which

¹ Executive Order No. 10940.

² S. 279 (H.R. 8028).

³ Public Law 87-274.

⁴ For the remainder of the fiscal year ending June 30, 1962, the amount will be \$6,446,000.

need only the chance to be tested. This is where the current Federal legislation has a role to play; not to shift responsibility away from families and local communities, but to make it possible for the Nation as a whole to benefit from the fresh thinking and creative action of communities working on the problem.

If the Federal Government can (1) stimulate new programs to deal with the underlying causes of delinquency, (2) spotlight a successful project in one community and encourage similar programs elsewhere, and, (3) provide the opportunity to experiment with the best ideas available, invaluable contributions will be made.

II. DELINQUENCY AND RELATED YOUTH PROBLEMS

Today, juvenile delinquency is a national problem. In 1960, while the number of children 10 to 17 years of age rose 2 percent over 1959,⁵ delinquencies⁶ in this age group went up 6 percent. The country is faced with a double trend—our child population is increasing, and at the same time, a larger proportion of that population is getting into trouble. During the next decade, those in the 10-17 age bracket will increase by 31 percent and it is estimated that between 3 and 4 million children will be brought to the attention of the courts on delinquency charges.⁷

These figures are staggering, for they indicate serious deficiencies in our social life and are warnings of an alarming failure to motivate young people in productive ways. However, behind these statistics are changing conditions in our society, which help produce these increases.

The pressure of automation and other economic trends are creating large scale changes. Newly depressed areas appear in many parts of the country, while adjacent sections experience high prosperity. Major shifts are being experienced in the requirements of our labor force—there is much less demand for the unskilled worker and much greater need for skilled technical and professional services.

These economic changes are already affecting our young people. According to the Secretary of Labor,⁸ the unemployment rate in January 1961 was 7.7 percent for all age groups, but unemployment among youth between 16 and 20 years of age was 16.8 percent or over twice as great as the nationwide rate for all workers. Those young people who drop out before completing high school are the worst off, for they are the last to be employed and the first to be discharged. Studies⁹ by the Department of Labor and the Office of Education show that these poorly trained youngsters change jobs more frequently, earn less and are out of work for longer periods of time than those who complete high school. The unemployment rate among school dropouts may be three or more times as high as among high school graduates. This situation is most acute among the children of "new migrants" (largely minority groups) for they are compelled by the pressures of poverty and discrimination to live in slum neighborhoods of large cities, and because of such conditions and their previous background place little value on school training.

The relationship between inadequate schooling, difficulty in securing employment, and delinquency is obviously an important one. It has been estimated that 95 percent of 17-year-old delinquents are school dropouts, 85 percent of the 16 year olds, and 50 percent of the 15 year olds.¹⁰

⁵ Unless otherwise indicated, all figures are from a report prepared by the Department of Health, Education, and Welfare, and presented by the Secretary of that Department during his testimony on behalf of H.R. 7178 before the Special Subcommittee on Education, on July 10, 1961. See hearings on H.R. 7178, Special Subcommittee on Education, Committee on Education and Labor, House of Representatives, 87th Cong., 1st sess. pp. 7-15.

⁶ Exclusive of the traffic offenses.

⁷ Ibid.

⁸ Statement by Arthur J. Goldberg, Secretary of Labor, before the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare, U.S. Senate, 1st sess., on S. 404 and S. 2036, June 12, 1961.

⁹ Statement by the Secretary of Health, Education, and Welfare before the Subcommittee on Special Education of the Committee on Labor and Education, House of Representatives, July 10, 1961.

¹⁰ Op. cit., report of the Department of Health, Education, and Welfare, hearings on H.R. 7178, Special Subcommittee on Education, p. 14.

During the next 10 years, some 26 million young people will enter the labor market. In spite of the greater need for trained workers, it is estimated that 7.5 million of this group—nearly a third—will not have completed high school. And of these, 2.5 million will not even have a grade school diploma.¹¹

Increased delinquency rates, school dropouts, and a host of other youth problems are not evenly distributed throughout the country.

Urban delinquency rates are 3 to 4 times the rates in rural areas and are highly concentrated in deteriorated neighborhoods. A 4-year study¹² of one American community showed that in or near the central business district 75 percent and even 90 percent of the boys living in the area were referred to courts. Similarly, for other youth problems,¹³ another survey of slum areas revealed 60 to 70 percent of the male youth between 16–21 to be out of school and out of work. Even those who had completed high school, only about half were employed.

It is the slum areas that deserve special attention for they harbor a concentration of delinquency, unemployment, school dropouts, family inadequacies, and cultural deficiencies.

Today, there exists in our American cities converging social and economic pressures which affect adversely youth and "new migrants," and the situation is bound to become increasingly explosive. Dr. James B. Conant offers a sound appraisal when he calls it social dynamite.

This convergence of pressures makes the redevelopment of the slum areas in large metropolitan communities a major target. The target must be nothing short of a reorganization of youth services that will promote the best conditions for their welfare.

To meet this challenge requires coordination of resources at Federal, State, and local levels. The Federal Government can stimulate this action and provide guidance as well as a collected body of national experience, but the actual job has to be done by the local community where the conditions exist.

III. ADMINISTRATIVE ORGANIZATION

Each of the three members of the President's Committee has a special assistant. These three special assistants work together on a day-to-day basis to develop and help implement the goals of the new Federal program for youth.

Additionally, each special assistant, with his staff, coordinates the specialized services of the agencies within the Department he represents.

Thus, the Special Assistant to the Attorney General coordinates within the Department of Justice such agencies as the Youth Division of the Bureau of Prisons, the sections of the Immigration Service which deal with minors, the Federal Bureau of Investigation, and the Youth Correction Section of the Board of Pardon.

The Special Assistant to the Secretary of Labor works with the appropriate sections of the Bureau of Employment Security, the Bureau of Labor Standards, the Bureau of Apprenticeship and Training, the Women's Bureau, and the Bureau of Labor Statistics.

The Special Assistant to the Secretary of Health, Education, and Welfare coordinates the activities of the Office of Education, the Office of Vocational Rehabilitation, the Social Security Administration, the Children's Bureau, the National Institutes of Health, and other related agencies within the Department he represents.

The operation of the new Federal delinquency program placed increased demands on the personnel of the Department of Justice, the Department of Labor, and the Department of Health, Education, and Welfare. Consequently funds were made available in the 1962 supplemental appropriation for the Juvenile Delinquency and Youth Offenses Control Act to supplement these respective staffs. The aforementioned operating agencies and departments will assist in handling requests for consultation from demonstration project communities seeking to develop field services and training programs.

The following chart illustrates the structure of both the President's Committee and the Office of the Special Assistant to the Secretary of Health, Education, and Welfare:

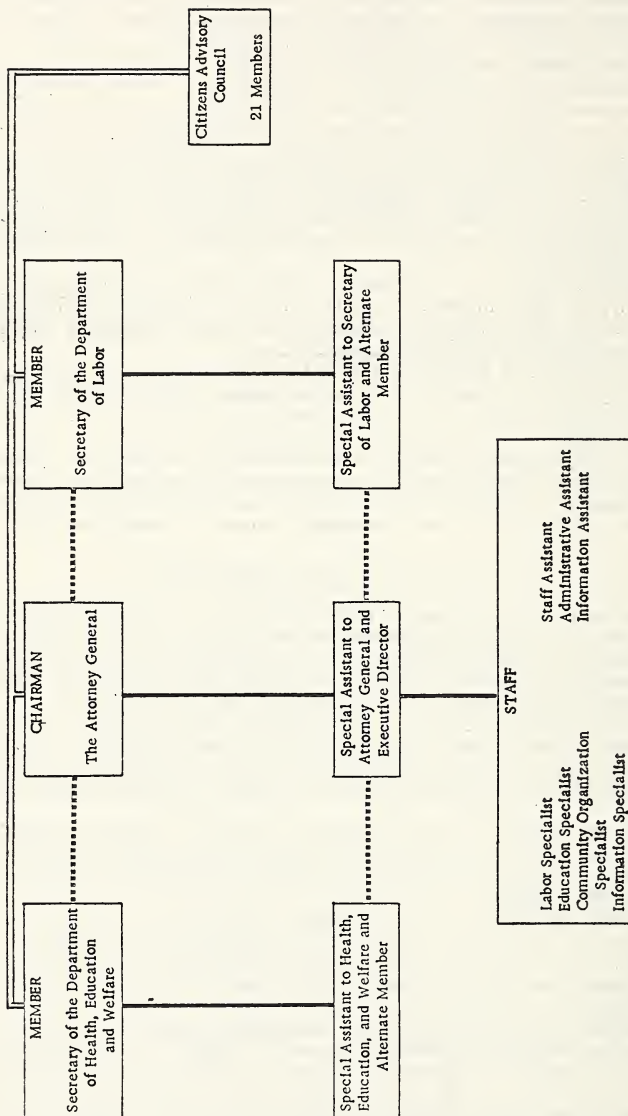
¹¹ "Manpower Challenge of 1960," U.S. Department of Labor, p. 13.

¹² Lander, B., "Toward an Understanding of Juvenile Delinquency," 1954.

¹³ Op. cit., report of the Department of Health, Education, and Welfare, hearings on H.R. 7178, Special Subcommittee on Education, p. 5.

PRESIDENT'S COMMITTEE ON JUVENILE DELINQUENCY AND YOUTH CRIME

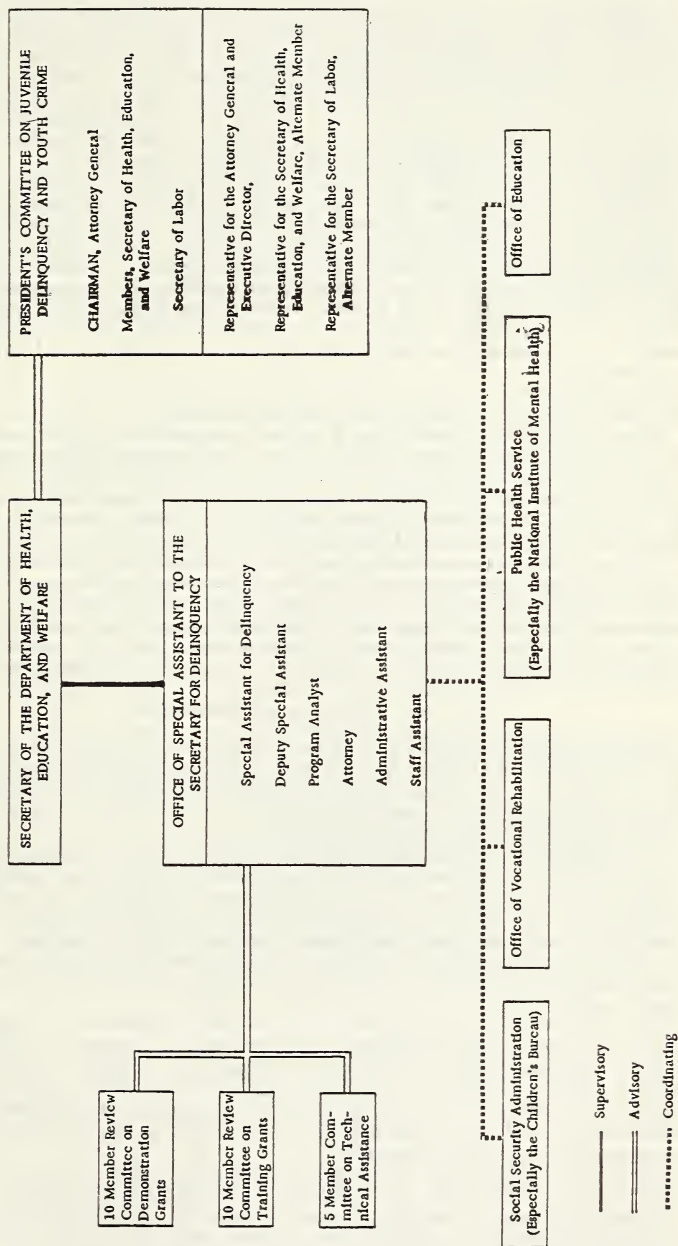
EXECUTIVE ORDER #10940, MAY 11, 1961



JUVENILE DELINQUENCY AND YOUTH OFFENSES

CONTROL ACT OF 1961

P.L. 87-274, September 22, 1961



IV. DEMONSTRATION AND EVALUATION PROJECTS

It has long been recognized that the problem of juvenile delinquency cannot be solved by the sole efforts of any single specialized service working alone, such as mental health therapy, remedial education, vocational training, family case-work, or police enforcement. Rather, it requires the coordination of a variety of specialized services in a comprehensive program. This type of attack has now been made possible by section 3 of Public Law 87-274, which authorizes the Secretary of Health, Education, and Welfare to make grants to public and private agencies and organizations for demonstration projects.

A primary target in the field of delinquency prevention is to show what a fully mobilized community can do to control its delinquency problems. Several communities will be selected to demonstrate effective coordination of services. There are scattered throughout the country outstanding school, work, counseling, recreational, and social service programs, but there is no single locale where all these desirable projects have been brought together to demonstrate what a complete program can do. The Federal Government will provide leadership, "seed money," and technical assistance in creating such model projects. Grants, however, will depend on the degree of local commitment and investment in a total program.

It is planned that major demonstrations will be carried on in several communities, especially in the slum areas of large cities.

Each community undertaking a major demonstration effort will be required to create a comprehensive plan for youth development. This involves coordinating sufficient knowledge, resources, and trained personnel in the same community so that a truly effective impact on delinquency can be demonstrated. Technical assistance will be made available to these communities in developing their plan and bringing about the necessary coordination.

During 1962 some communities may not have sufficiently developed plans to be eligible for major demonstration grants. However, a number of locales will have aroused enough local interest and support to assess their resources for youth services, to identify gaps in these services and to plan a coordinated approach to fill these unmet needs. These communities will be eligible for planning grants to assist them to organize for a major action program.

V. TRAINING OF PERSONNEL

When Congress enacted Public Law 87-274 it took cognizance of the dearth of trained workers in the delinquency field. Hence, through section 4 it authorized the Secretary of the Department of Health, Education, and Welfare to make grants for training personnel now employed or preparing for careers in the area of juvenile delinquency and youth offenses.

The increase in delinquency rates concomitant with the inadequate supply of appropriately trained personnel in both public and private agencies, makes it imperative to supplement the training of those engaged in full-time work with delinquents, such as police, judges, probation officers, correctional institutional staff, parole workers, and youth gang workers in the community. At the same time short-term training must be provided for teachers, employment counselors, family welfare workers, volunteers, and others who daily influence the lives of young people.

The number of persons capable of providing specialized training is limited, and thinly dispersed in different communities and operating agencies. Consequently, in order to train as many individuals as possible, a number of training centers will be developed throughout the country. These will be located at universities interested in developing training programs in delinquency prevention and control, and in servicing the training needs of various agencies, groups, and communities throughout the region.

Academic institutions will be elected as sites for the training centers and given grants on the basis of a systematic plan for training which demonstrates (1) teaching competence, (2) a range of relevant disciplines and their ability to coordinate them, (3) willingness to share costs, (4) adequate physical facilities for housing the center, and (5) access to target populations.

The focus of training in the centers will be upon improved means for integrating the adolescent, especially the problem adolescent into total community activities. Such a focus places heavy emphasis upon prevention and rehabilitation, and also upon correctional aspects.

It is anticipated that course content will concentrate upon two general types of material: Core material which all trainees would receive and specialized material designed to meet the needs of specialists. Core material would attempt to inform the trainee more completely about the nature of the problem, and suggest some means by which it might be attacked, while specialized material would emphasize measures whereby the specialist might coordinate his work more effectively with others in the community, and ways in which he could perform his own tasks more efficiently.

To meet the increasing demands for training, grants also will be available to institutions for curriculum development and the preparation of materials or contracts to individuals for the same purpose may be arranged. In addition, funds will be provided for workshops and institutes, not only to training centers, but to other institutions or agencies that have training resources which can be used to good advantage in attaining the objectives of the act. In some instances, the training may be undertaken in meetings of 2 or 3 days, while in others, a summer institute, or a course of study held periodically throughout the year may prove most advantageous.

VI. TECHNICAL ASSISTANCE SERVICES

Communities throughout the United States require information about effective delinquency programs so that they may better appraise and resolve their own local problems.

Through the provisions of section 5 of Public Law 87-274 the Federal Government is now in a position to provide stronger leadership and additional technical assistance to public and private agencies concerned with youth problems.

As indicated in section III, staff of the appropriate specialized agencies in the various Federal departments will service local communities and training institutions.

The authority vested in the Secretary of the Department of Health, Education, and Welfare makes it possible for technical experts to advise and assist local communities in developing the best possible programs for delinquency prevention and rehabilitation.

Short-term training will be offered key professional and volunteers responsible for developing local projects, and joint conferences and workshops will be held for leaders in the correctional services for children and youth.

This type of Federal assistance will be especially helpful in transmitting new knowledge from one community and State to another, so that the best experience in the country can be focused on local problems.

The Federal Government itself needs additional material on youth services that can be distributed to public and private groups throughout the country. The opportunity to carry on a more intensive operation has been made feasible through section 5(b) of the Juvenile Delinquency Act which authorizes the Secretary of the Department of Health, Education, and Welfare to conduct studies and develop information programs.

Efforts are already underway by the Research Division of the Children's Bureau and the Information Collection Services of the Federal Bureau of Investigation to develop more adequate statistics on delinquency. With the assistance of the Justice Department, requests for new data have been sent to a sample of juvenile court judges, and interested and effective cooperation is being secured.

In addition to the initiation of improved methods of reporting juvenile court statistics, additional studies are being contemplated on youth affairs. Some of these include:

- (1) Development of more refined and accurate data on youth problems, including their interrelationships and trends.

- (2) Collection and analysis of data dealing with social and economic trends which create special problems for youth in the area of employment, education, family life, and residential location.

- (3) Special surveys of new program developments and needs in the area of youth employment, education, correctional treatment and supportive services.

The dissemination of information to appropriate national and State agencies, as well as to local communities is a prime requisite, and hence to achieve an orderly flow of material, a central referral center on information is being established in the Federal Government.

Technical assistance to States and communities will play a major role in the attack on delinquency. Such aid spreads information about good programs to areas where they are needed.

VII. APPLICATION PROCESS

Application forms and instructions for demonstration and training grants may be obtained from the Office of the Special Assistant for Juvenile Delinquency, Department of Health, Education, and Welfare, Washington 25, D.C.

Eligibility for demonstration grants

Applications for a major demonstration grant must provide a detailed comprehensive plan of the action programs to be undertaken. The plan should contain an analysis of youth problems in the local area, the adequacy of existing resources, and the new programs needed to correct deficiencies in services and opportunities for youth. The demonstration projects should be sponsored by a nonprofit organization governmental or private, either existing or newly formed, that can represent and take action on behalf of the entire project in the community. Such an organization should not only serve as the prime mover, but should reflect an effective coordination of the various public and private, State, county, city and neighborhood resources. An account will be needed of the extent to which these related groups will participate in and share the cost of the total demonstration. The comprehensive plan should also contain a design for evaluation of the effectiveness of the action programs. Finally, it is especially important to show how the results of the demonstration program may be used in other areas of the city to promote a redevelopment of their youth services.

Most communities may not yet have developed fully comprehensive plans and therefore will be ineligible for demonstration grants. However, they may receive planning grants to help them organize a major action program.

Eligibility for training grants

Academic institutions will be selected as sites for regional training centers and given training grants on the basis of a systematic plan. This should demonstrate teaching competence, a range of relevant disciplines, and the ability of the college or university to coordinate them, willingness to share costs, adequate physical facilities for housing the center, and access to target populations.

Training grants or contracts are also offered to qualified individuals or institutions for curriculum development and preparation of materials. In addition, funds for workshops and institutes will be made available to agencies and organizations who have accepted training resources.

Agencies and departments in the Federal Government which now have authority to grant funds for research, demonstration, or training in the area of delinquency or related youth problems will continue to make grants in their specialized area. Wherever necessary, coordination of the granting process will be effected within the Department of Health, Education, and Welfare through the Office of the Special Assistant for Juvenile Delinquency, and interdepartmentally through the President's Committee on Juvenile Delinquency and Youth Crime.

CONDITIONS GOVERNING JUVENILE DELINQUENCY AND YOUTH OFFENSES DEMONSTRATION PROJECT AND TRAINING PROGRAM GRANTS

1. ADMINISTRATION

The demonstration and training project grant program is administered by the Office of the Special Assistant to the Secretary of the Department of Health, Education, and Welfare for Juvenile Delinquency.

Two 10-member review committees have been appointed by the Secretary of the Department of Health, Education, and Welfare. They assist the Secretary by reviewing the applications for demonstration project grants and training program grants respectively, and by recommending to him those projects and programs which hold promise of making a substantial contribution to the prevention or control of juvenile delinquency or youth offenses. The Secretary also is assisted by the recommendations of the President's Committee on Juvenile Delinquency and Youth Crime.

2. THOSE WHO ARE ELIGIBLE FOR GRANTS

Grants for demonstration projects may be made to any State, local, or other public or nonprofit agency, organization, or institution. The recipients of training program grants may include also Federal agencies, organizations or institutions.

3. METHOD OF APPLYING

Requests for demonstration project grants must be prepared on Application for Demonstration Project Grant Form. Applicants for training program grants must use application for Training Program Grant Form. Applications may be submitted at any time but will normally be considered only three times annually. The mailing address for applications is the Office of the Special Assistant, Department of Health, Education and Welfare, Washington 25, D.C. Do not send applications by registered mail. The receipt of the completed form will be acknowledged, generally within 1 week.

4. CONTRIBUTION OF GRANTEES

By law, the recipient of a training or demonstration project grant shall be required to contribute money, facilities, or services for carrying out the project for which the grant is made to an extent deemed appropriate by the Secretary of the Department of Health, Education, and Welfare. It is expected that the applicant will finance as large a part of the cost as possible. The Federal grant generally is used to pay all or part of the costs of salaries of personnel, travel, equipment, supplies, and certain other costs.

The grants may not be used, however, to pay any part of the costs of motor vehicles, foreign travel, new construction of buildings, depreciation of existing buildings or equipment, dues to organizations, societies, and federations, entertainment, and, except when specifically approved in advance, for publication of reports. (For further details see item 12.)

5. DURATION OF PROJECT

A demonstration project or training program of any reasonable length may receive Federal assistance. Normally, support for a project or program of no more than 3 years duration will be awarded. The project or program year does not need to coincide with either the calendar year or the Federal fiscal year which ends on June 30. The project may start or end on any day of any month of the year.

The grantee will be notified of the beginning and terminal dates of the grant in the "Notification of Grant Award." In cases where there is a delay in the project or program and the grantee wants the dates extended, he should submit a written request, adequately justified, to the Office of the Special Assistant for Juvenile Delinquency, Department of Health, Education, and Welfare.

6. OBLIGATION OF GRANT FUNDS

Grant funds may not be obligated or expended prior to the beginning date or subsequent to the termination date of the grant period specified in the "Notification of Grant Award." Funds obligated at the close of the grant period may be liquidated (paid out) after the end of the period, but additional obligations or expenditures made after the termination date will not be allowed. Obligations should include only specified commitments which are supported by contracts, invoices or bills, purchase orders or priced requisitions, or other evidence of liability consistent with the agency's or institution's purchasing procedures. An obligation must be liquidated within 2 years.

7. FULL FUNDING

Unlike many other Federal grant programs which permit applicants to request support on a yearly basis, this program requires project grants to be full-funded. That is, in accordance with sections 3(a) and 4(a) of Public Law 87-274, an applicant must present at the time of application a budget which, to the best of his ability, reflects the total expenses of the proposed project including and specifying the total Federal contribution which is being requested therefor. In the event that the application is successful, the amount requested will be reserved from the appropriation for the fiscal year in which the grant is made. Payments on account of the grant in that and subsequent fiscal years will be made only from the amount so reserved.

However, it is recognized that a circumstance requiring additional support may arise in the future which reasonably could not have been foreseen at the time of application. It is open to the grantee then to submit an application for a new grant to cover this unforeseen contingency. Assuming, among other

things, that there are funds available and that the circumstance said to require supplemental support could not reasonably have been anticipated by the applicant at the time of his original application, a new grant will be awarded.

8. PROJECT EXPENDITURES

The grant and the applicant's contribution must be used for the conduct of the training or demonstration project, as approved, in accordance with the approved project budget as indicated in the "Notification of Grant Award" which is sent to the grantee when the project is approved. The grantee must contribute the amount specified in this award as his part of the cost of the project. However, if the expenditure by the grantee is less than the amount so specified, the amount of the grant which the grantee may utilize will be reduced in accordance with the ratio of the grant to the grantee's funds as shown in the "Notification of Grant Award."

9. UNEXPENDED FUNDS

The amount of the free or unobligated balance shall be returned to the Office of the Special Assistant for Juvenile Delinquency, Department of Health, Education, and Welfare at the time the final expenditure report is submitted.

10. INTEREST EARNED ON GRANT FUNDS

Interest earned on grant funds must be duly credited to the principal of the grant and reported to the Office of the Special Assistant for Juvenile Delinquency, Department of Health, Education, and Welfare on the expenditure report next made. Ensuing payments of the grant will be offset by the amount of interest earned. The amount earned at the close of the grant period, which has not been deducted from payments, is to be returned to the Office of the Special Assistant for Juvenile Delinquency, Department of Health, Education, and Welfare.

11. PAYMENTS

Payments may be made in installments, and in advance or by way of reimbursement, under the law. Specific procedures for payment will be arranged individually with grantees.

12. BUDGET ITEMS

A. Personnel

Training and demonstration grant funds may be used to pay the salaries and other types of compensation for professional, clerical, and other types of personnel in proportion to the time spent on the project. Grant funds may not be used to pay for personnel already employed by the applicant at the time the project is initiated unless it is clearly demonstrated that a specific reassignment of duties of such personnel will divert them from their usual functions to activities involved in carrying out the project.

Personnel to be utilized on the project should be listed by position title under the appropriate heading (i.e., professional, clerical, ect.). For each position, the title should be indicated, the name of the occupant or prospective incumbent given when possible, and whether the position is full-time or part-time. If part-time, the extent to which it is to be filled should be indicated i.e., 50 percent, 33½ percent, etc.). The amounts budgeted for part-time positions may not exceed the proportion of time on project to total salary for full-time work. The amount of Federal funds and applicant's funds to be used to pay the salaries for each position listed should be indicated in the appropriate columns. The amounts needed for social security taxes, workmen's compensation, pension fund payments and similar taxes or payments made in connection with the personnel employed on the project should be shown as a separate item under the "Personnel" category.

B. Traineeship costs

Training program grants may include allowances for travel and subsistence expenses of short-term trainees. Allowable travel expenses are those which are necessary to the trainee's participation in the training program but should not exceed first class rail or air fare (excluding first class jet air fare). Subsistence expenses include reasonable charges for meals, lodging, laundry, cleaning and pressing of clothing, tips and other such day-to-day costs of personal main-

tenance. In determining the amount to be budgeted for such expenses, the applicant should take into account the cost of living in the locale of the training, the proportion of the trainee's day occupied by training, and the source of the trainee's subsistence, such as his own home, or a hotel, or facilities provided by the training institution.

C. Permanent equipment

Training or demonstration project grants may be used to purchase or rent permanent equipment to be utilized in carrying out the project. Where possible, permanent equipment procured with grant funds should be rented rather than purchased. The title to equipment purchased with grant funds is vested in the grantee organization. However, such equipment must be accounted for and used in the activities of the demonstration project or training program for which it was purchased. If, in the course of the project, the equipment is disposed of or transferred to other activities, an amount equal to the current value must be credited to the grantee organization's grant fund account or refunded to the Office of the Special Assistant for Juvenile Delinquency, Department of Health, Education, and Welfare. At the termination of the demonstration project or training program, any equipment purchased from grant funds may be transferred from the project upon direction or approval of that office.

Grant funds may not be used for the purchase or rent of office equipment including desks, chairs, tables, filing cabinets, typewriters, recording machines, calculators, etc. To the extent that the applicant requires such office equipment, the costs should be indicated as part of the applicant's share of the project costs.

The items of permanent equipment which are proposed for purchase or rent during the grant period should be identified and the number of pieces and cost of each item should be indicated. Justification of unusual, or unusually expensive permanent equipment should be made in connection with the summary description of the project or program (p. 5 of the application form) under the heading, "Resources."

D. Consumable supplies

Grant funds may be used to purchase consumable supplies which are to be used directly on the project. The cost and amount of such supplies should be limited to those which will be used during the period for which the grant is being requested.

The types and costs of consumable supplies to be purchased should be identified under general classifications such as office supplies, building maintenance supplies, etc. Included in the discussion of resources (p. 5 of the application form) should be a brief explanation of the assumptions used in arriving at the estimates of the amounts of supplies required.

E. Travel

Training or demonstration grants may be used to pay for the costs of travel of personnel directly associated with the project. Grant funds may be used for travel to professional meetings only when it can be demonstrated that such meetings are directly related to the success of the project.

Federal grant funds may not be used for foreign travel. To the extent foreign travel is required in carrying out a project, the costs should be shown as part of the applicant's share of the project costs.

The major purpose of the travel to be done during the grant periods should be itemized and the costs from Federal funds and applicant's funds for each type of travel indicated. Estimated costs of travel to any meetings to be attended or facilities to be visited should be itemized, if such activities are planned as part of the project.

F. Other expenses

Federal grant funds may be used to defray other costs of project operations such as telephone and other communications, rent for premises (only if it is actually paid), and the costs of utilities such as heat, light and maintenance of premises. However, such costs may not be included if "indirect costs" are also requested as part of the Federal grant. Federal funds may not be used for the costs of new construction to house a project, or for costs of depreciation of structures or equipment utilized for the project. Such costs, to the extent they are to be incurred, should be shown as part of the applicant's share of the cost of the project. Depreciation, to the extent it is shown as the applicant's share of a project cost, should be related only to the time period of the grant.

Grant funds may not be used for the purchase of motor vehicles or to pay dues to societies, organizations or federations. Unless approved in advance, grant funds may not be used to pay for the costs of publication of any reports.

Each category of costs under this heading should be listed separately. Other types of costs not indicated above for which the applicant is requesting Federal grant funds may also be listed.

G. Indirect costs

If the project is to be conducted as one of a number of activities, the organization may include in the project budget as a lump sum an amount to be spent for "Indirect costs" to cover rent, heat, light, maintenance of premises, or for administrative and overhead costs such as bookkeeping, library services, and similar items. "Indirect costs" may not be included if these items are included under "Other expenses." The amount charged to "Indirect costs" may not exceed 15 percent (if a demonstration project) or 8 percent (if a training program) of the total direct costs exclusive of the amount obligated for permanent equipment.

13. FINANCIAL RECORDS

Maintenance of financial records

Financial records for this grant must be maintained apart from all other financial records. Accounts and records for each grant period are to be maintained separately from previous grant records. Separate ledgers with substantiating invoices or payrolls must be available at all times for the Department of Health, Education, and Welfare audit. Generally, grants will be audited annually. Financial records must be kept on file until the completion of the audit (including final resolution of any questions raised thereby) or for 3 years after the end of the grant period, whichever is later, unless the grantee is requested to retain particular accounts, records, or supporting documents for a longer period.

14. REQUIRED REPORTS

Grantees are required to make three types of reports to the Office of the Special Assistant for Juvenile Delinquency: financial reports, progress reports, and a final report.

(a) Financial reports: A financial report is due in the Office of the Special Assistant for Juvenile Delinquency within 60 days after the end of each year's support, or within 60 days of the end of the grant period, whichever is sooner. The necessary forms and instructions for this report will be sent to the grantee prior to the due date of the report.

(b) Progress reports: The grantee is also required to submit progress reports. No special form is provided for this report. However, the report should be arranged in three parts, as follows:

I. Face page:

- (1) Grant number and title.
- (2) Name of demonstration project or training program director.
- (3) Name of grantee organization.
- (4) Period covered by the report.
- (5) Date of preparation of the report.

II. Summary statement (preferably of fewer than 200 words) of the detailed report which follows.

III. Full statement of progress.

In addition to a comprehensive discussion of the progress of the training program or demonstration project since its inception or date of last progress report, any changes in staffing should be indicated (names, titles, periods of appointment, percent of time to program or project) and biographical sketches supplied for professional employees whose sketches have not been filed previously.

Progress reports should be submitted within 60 days after the end of each year's support. If period of support for the project or program is short-term (less than 1 year) the report should be submitted within 60 days after the end of the grant period.

The grantee is required to supply 15 copies of the progress report.

(c) Final reports: Within 90 days after the termination of the period of support, the grantee is required to submit 15 copies of a final report. Such report should follow the format used for progress reports, but should include a description of the total project.

15. PATENTS AND COPYRIGHTS

(a) Patents: If any patentable discovery or invention arises or is developed in the course of the work aided by the grant, the grantee organization and demonstration project or training program director will refer to the Department of Health, Education, and Welfare for determination whether patent protection on such invention or discovery shall be sought and how the rights in the invention or discovery, including rights under any patent issued thereon, shall be disposed of and administered, in order to protect the public interest.

(b) Copyrights: The Department of Health, Education, and Welfare reserves a royalty free, nonexclusive, and irrevocable license to reproduce, publish, dispose of and otherwise use, and authorize others so to do, all copyrighted material and all material which can be copyrighted, resulting from the training program or demonstration project.

16. PUBLICATION AND PUBLICITY

Grantee organizations may publish results of any work supported by project grant funds without prior review by the Office of the Special Assistant for Juvenile Delinquency. However, the publications should carry a footnote acknowledgment of the assistance received from the Department of Health, Education, and Welfare and provide the Office of the Special Assistant for Juvenile Delinquency, Department of Health, Education, and Welfare with 25 reprints. Since the results are published without prior review by the Office of the Special Assistant for Juvenile Delinquency, no publication should ascribe to the Department of Health, Education, and Welfare responsibility for the work other than the footnote acknowledgment mentioned above.

Dr. OHLIN. We have also sent a statement and appropriate forms to various universities and departments interested in establishing training programs under the training grants provision of the bill. We have had a very excellent response from communities and universities showing great interest in the Federal program, and great eagerness to participate in the grants and to take benefit of such technical assistance as we will be able to provide.

I think that concludes my remarks.

Mr. FOGARTY. All right. Will you give us a breakdown of the committees and the dates they have met?

Dr. OHLIN. Yes, sir.

(The information requested follows:)

MEETING DATES FOR PANELS

Previous dates:

Demonstration panel, January 8-9, 1962.

Training panel, January 11-12, 1962.

Current dates:

Demonstration panel, March 5, 6, 7, 1962.

Training panel, March 12, 13, 14, 1962.

Future dates:

Demonstration panel, mid-June.

Training panel, mid-June.

In addition by mid-June we anticipate appointing an advisory panel of five members to assist us in carrying out the technical assistance provisions of the act by establishing priorities of needs in the juvenile delinquency area and ways of meeting those needs.

SUMMARY OF BUDGET

Mr. FOGARTY. The appropriation for 1962 is \$8.2 million and the request for 1963 is \$8.5 million, an increase of \$300,000; however, there is a reserve for savings of \$1,754,000, so the increase over what

the Secretary is allowing to be spent in 1962 is \$2,054,000. What was the amount of the request for 1962?

Mr. KELLY. \$8.2 million.

POSITIONS BUDGETED FOR OTHER DEPARTMENTS

Mr. FOGARTY. Some of these funds are going to pay for positions in the Department of Labor and the Department of Justice; is that right?

Dr. OHLIN. That is right.

Mr. FOGARTY. Do you have control of these positions?

Dr. OHLIN. We have. We do through the cooperation we maintain with the President's committee.

Mr. FOGARTY. Do they work under your direction?

Dr. OHLIN. Not under the direction of us, under the direction of the President's committee. It is a cooperative arrangement to build up the work in that area. We consider it a service to the program that we operate, that they could perform more satisfactorily than we can.

Mr. FOGARTY. It does not get confusing then when you have people in 3 or 4 departments?

Dr. OHLIN. I think that the President's committee so far has proved to be a very effective vehicle for pulling these together.

Mr. FOGARTY. You have not had any problems?

Dr. OHLIN. No.

Mr. FOGARTY. That is a little bit unusual.

REVIEW PANELS

You have two review panels; is that right?

Dr. OHLIN. Yes; we have two review panels, one on demonstration grants and one on training grants.

Mr. FOGARTY. Will you supply for the record who is on each of those panels and how they function?

Dr. OHLIN. Yes; I will do that.

(The requested information follows:)

DEMONSTRATION PROJECTS PANEL MEMBERS

Mr. William H. Brueckner, executive director, Chicago Commons Association, 915 North Wolcott Avenue, Chicago, Ill.

Dr. Leonard S. Cottrell, Jr., executive director, Russell Sage Foundation, 505 Park Avenue, New York, N.Y.

Mr. Roger M. Lind, supervisor, Children's Division, Department of Social Welfare, Lansing, Mich.

Dr. Joseph D. Lohman, dean, School of Criminology, University of California, Berkeley, Calif.

Dr. Elizabeth Makkay, program director, Judge Baker Foundation, Child Guidance Center, Boston, Mass.

Mr. William T. Patrick, city councilman, 400 Woodward, Detroit, Mich.

Dr. Robert Lee Sutherland, director, Hogg Foundation of Mental Health, University of Texas, Austin, Tex.

TECHNICAL REVIEW TRAINING PANEL MEMBERS

- Dr. George Barnett, School of Education, Michigan State University, Lansing, Mich.
- Dr. Fred DelliQuardi, dean, School of Social Work, Columbia University, New York, N.Y.
- Dr. G. Franklin Edwards, professor of sociology, Department of Sociology, Howard University, Washington, D.C.
- Dr. LaMar T. Empey, Brigham Young University, Provo, Utah
- Dr. Edward D. Greenwood, Menninger Foundation, Box 829, Topeka, Kans.
- Mr. Frank J. Remington, professor of criminal law, University of Wisconsin, Madison, Wis.
- Dr. Elliot Studt, California Department of Corrections, Deuel Vocational Institution, Tracy, Calif.
- Dr. Robert Vinter, professor of social work, University of Michigan, Ann Arbor, Mich.

FUNCTIONS OF REVIEW PANELS

1. To review applications for demonstration project or training program grants; and
2. To make recommendations to the Secretary of the Department of Health, Education, and Welfare regarding his final determination.

TRAINING

Mr. FOGARTY. Tell us what your current training activities consist of and how many regional centers are established?

Dr. OHLIN. At the present time for the current meeting of the review panel we have 33 training applications. Ten of these applications are for the establishment of training centers. We expect that only part of these will receive grants at this time, but that the remaining grants will be recommended at the time of the June hearing by the panel. We hope to establish this year nine training centers throughout the country.

Mr. FOGARTY. What are your plans for the future?

Dr. OHLIN. In these regional centers?

Mr. FOGARTY. Yes.

Dr. OHLIN. Next year we hope our emphasis will shift to the building up of programs of training in the centers, and in other places that we have not established but which already have training resources.

DEMONSTRATION AND EVALUATION PROJECT

Mr. FOGARTY. Can you give us the same information regarding demonstration and evaluation projects?

Dr. OHLIN. Yes, we have received 65 applications as of February 27. That is the closing date for applications. These applications are varied. Some of them represent a good deal of competence in the way of staff, but not adequate planning thus far, and others represent very adequate planning. We feel that of this number we can expect the panel to recommend seven or eight grants at this meeting; that the remaining funds would be expended in this fiscal year at the June panel meeting.

AMOUNT FOR ADVANCE FINANCING

Mr. FOGARTY. How much of the request for 1963 is to fund projects after 1963?

Dr. OHLIN. There is \$5 million allocated to demonstration projects in 1963. We have a full funding provision that would permit us to take this out of the \$5 million.

Mr. FOGARTY. Doctor, is there anything else you would like to say?

Dr. OHLIN. I would like to say one thing about the program, and this is important. I think at the very outset we were interested in trying to set up a process by which more coordination could take place. I think through the President's Committee on Juvenile Delinquency and Youth Crimes and through the Office of the Special Assistant for Juvenile Delinquency in Health, Education, and Welfare, we have been able to set up some coordinating processes in the Federal Government on grants in the delinquency area that were badly needed in order to put together the effect of all of the grants to be made in the area.

Mr. FOGARTY. Maybe the Division on Aging ought to take a look at what you are doing, it might help them.

Is there anything else you want to say?

Dr. OHLIN. No.

Mr. FOGARTY. Thank you very much.

GENERAL PROVISIONS OF THE BILL

Mr. Kelly, you are going to talk about these general provisions?

Mr. KELLY. Yes.

I want to take this opportunity to assure you that this is not what

Mr. FOGARTY. You are asking to extend the authority for making research grants to include the Bureau of Prisons and Veterans Hospitals. Would you comment on this?

Mr. KELLY. That is correct. The question of Veterans' Administration came up last year. There was concern that this was an attempt to substitute the use of the National Institutes of Health grants for direct appropriations to the hospital system.

I want to take this opportunity to assure you that this is not what the situation is, that there has been no reduction in the budget proposed for research funds in Veterans' Administration, but there has been a recognition that some of the positions in the Veterans' Administration are being supported by research grants from the National Institutes of Health, but they have to do this through their affiliated institutions.

This provision will make it possible to supplement the research funds which are budgeted directly to the Veterans' Administration hospital system. The Surgeon General asked that we also make arrangements to include the Bureau of Prisons. As you know, the Public Health Service actually operates the system there, and he wanted to give the positions assigned to the prisons the same opportunities as those assigned to Public Health Service hospitals of applying for research projects and getting consideration.

Mr. FOGARTY. Is this subject to a point of order?

Mr. KELLY. No more than the section itself is.

Mr. FOGARTY. Is authorization for this included in the proposed legislation you now have pending at the Budget Bureau?

Mr. KELLY. Yes, sir. I indicated to you that we had pending in the Budget Bureau our proposal on point-of-order language, except for that related to the Public Health Service, which we are working on.

BROADENING COVERAGE OF CERTAIN PROVISIONS

Mr. FOGARTY. There are three places where you are asking that we broaden general provisions to make authorizations applicable not just to appropriations in this bill but to all funds made available to your Department. Why is this?

Mr. KELLY. We have heretofore had general provisions in the Interior and related agencies appropriation bill; as you know the appropriations for the "Indian health activities, Public Health Service" are contained in that bill.

Last year general provisions were included in that bill, identical with the general provisions in the Labor-Health, Education, and Welfare and related agencies bill in order that we could expend those funds, under the same provisions. The proposal was made to us this year that in lieu of doing that, that we broaden the language here so as to include the funds appropriated in that appropriation act.

AUTHORITY TO PAY TEMPORARY EMPLOYEES UP TO \$75 PER DAY

Mr. FOGARTY. There is a request to include in the overall general provisions authorization to pay temporary employees at rates up to \$75 per day.

Mr. KELLY. Yes, sir.

Mr. FOGARTY. Why were not the individual authorizations of this kind for individual appropriations in the bill eliminated?

Mr. KELLY. This request came to me from the Food and Drug Administration. They have indicated that they have very serious difficulty getting the kind of consultants they need. They asked that we provide an authority for them in the act to pay up to \$19,000. This seemed like an excellent idea.

We contacted other parts of the Department and found that it would be useful to them, so we have requested it on a Department-wide basis. We do now have authority with respect to the scientific consultants at the NIH to pay at the annual rate of \$19,000, and \$75 a day is close in round numbers to that.

Mr. FOGARTY. In the bill there are provisions to pay up to \$100 in the appropriations for the Secretary of Labor and National Mediation Board. Now, since this comes at the end of the bill, would it be controlling and cut back to \$75 this authority in individual appropriations?

Mr. KELLY. There was no such intention on our part when we requested it; it was with respect to the Department of Health, Education, and Welfare. It was not intended to have an adverse affect on these departments. But I would like to get an opinion for you.

(The following was subsequently submitted:)

U.S. GOVERNMENT,
March 2, 1962.

Memorandum to: Florence Stover, Division of Budget.

From: S. A. Saperstein, Legislative Attorney.

Subject: Appropriations for 1963—\$75 per day for consultants.

This is in reply to your request of February 28 for an opinion as to the effect on other titles of the appropriation of the amendment to section 901 of the appropriation act providing for a maximum of \$75 per diem for individuals whose services are procured pursuant to section 15 of the act of August 2, 1946 (5 U.S.C. 55a).

The authority of the National Mediation Board to hire referees at \$100 per day would not be affected since this is done pursuant to section 3 of the Railway Labor Act and not pursuant to section 15 of the August 2, 1946, act. The authority of the Federal Mediation and Conciliation Service to hire mediators at \$75 per day would not be affected if that Service continued the provision in the 1962 appropriation for payment at rates not in excess of \$75 per day. However, I notice that in the budget for 1963 the Service proposes to increase the maximum to \$100 per day. Consequently, some other amendment would be desirable either in section 901 or in the appropriation of the Mediation and Conciliation Service if the Service is to pay at the \$100-per-day rate.

An alternative method of dealing with this problem would be to put the authority to pay up to \$75 per day in the general provisions at the end of the HEW items (sec. 202 et seq.) or to increase the rates specified in section 901 to \$100 per day for everyone.

CIVIL DEFENSE

Mr. FOGARTY. When the committee takes its action on the bill, we will need some more information on the amount in the budget for civil defense. Would you place in the record a table showing for each appropriation item the amount included for civil defense activities?

Mr. KELLY. Yes, sir.

Mr. FOGARTY. I would like to have all civil defense activities, whether previously financed out of the so-called delegate agency funds or out of your direct appropriations.

Mr. KELLY. May I just make an inquiry with respect to that? There are three aspects that we frequently refer to as civil defense.

One of these is the truly civil defense activity, which we carry out under Executive Order from the President, and it relates to those assignments made to the Secretary of Defense in the whole area of civil defense.

Secondly, there are areas that relate to emergency mobilization plans, which are now the basic responsibility of the Office of Emergency Planning.

Then there is a third, the problem associated with continuity of operations, which has always been considered an integral part of each agency's activity and not a delegated function in any sense.

Mr. FOGARTY. We want just those separate activities clearly identifiable as civil defense. If there is any problem on definitions you may take them up with the committee clerk.

(The information referred to follows:)

Civil defense assignments under Executive Orders 10958 and 11001 which are integrated into operating budgets of the Department for fiscal year 1963

Agency and appropriation	1963 estimate	
	Positions	Amount
Food and Drug Administration: Salaries and expenses	11	\$120,000
Public Health Service: Emergency health activities (includes medical stock-pile procurement and management)	195	41,445,000
Social Security Administration: Salaries and expenses, Bureau of Family Services	29	338,000
Office of the Secretary:		
Salaries and expenses, Office of the Secretary	6	53,000
Salaries and expenses, Office of Field Administration	12	150,000
Total civil defense assignments	253	42,106,000
Defense Coordinator's Office—Regular operating budget: Salaries and expenses, Office of the Secretary	14	145,500

¹ The Defense Coordinator's Office has been part of the regular "Salaries and expenses" budget of the Office of the Secretary since 1953 to deal with the inherent responsibilities of the Secretary for internal readiness, continuity of regular operations under emergency conditions, maintenance of standby emergency instructions, testing of emergency functions, including alerting and relocation of key employees, etc. The Defense Coordinator provides departmental liaison and represents the Secretary and Under Secretary on interdepartmental defense committees.

CONCLUDING REMARKS

Mr. FOGARTY. Well, I think this completes the hearing for Labor and Health, Education, and Welfare, with the exception of the public witnesses, which we will start tomorrow.

I wholeheartedly disagree with some of the things you are in a position of having to defend with regard to the reserves. You have a very difficult position as the budget officer. This job is getting bigger every year, the Department is growing every year. But I do not know of anyone who has done a better job than you have in justifying these appropriations. Thank you.

Mr. KELLY. Thank you, Mr. Chairman.

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